



# The facts about

## Preservation of benefits

### Who should read this?

Any member who is considering preserving their benefit in the PSS following resignation, retirement, retrenchment or by electing to leave the PSS.

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### What is preservation?

Preservation in relation to your PSS benefit means that, rather than withdrawing your benefit from the PSS, you elect (or are required) to leave all of your benefits preserved in the PSS for payment at a later date.

### What is the SIS Upper Limit?

The Superannuation Industry (Supervision) (SIS) Regulations introduced a number of changes from 1 July 1999. One of these changes relates to the amount of the lump sum that you can access before reaching preservation age (see **Table 1: Preservation ages on page 2**).

The SIS Upper Limit is the amount you could have taken as a lump sum had you received an involuntarily retirement (retrenchment) on 30 June 1999. Any lump sum benefit we pay you before you reach preservation age cannot exceed your SIS Upper Limit.

If you preserve your benefit in the PSS and claim your benefit before reaching your preservation age, your lump sum cannot exceed your SIS Upper Limit. You will need to pay any balance that exceeds your SIS Upper Limit into a rollover fund.

Table 1: Preservation ages

Date of Birth	Preservation age
Before 1 July 1960	55 years
1 July 1960 to 30 June 1961	56 years
1 July 1961 to 30 June 1962	57 years
1 July 1962 to 30 June 1963	58 years
1 July 1963 to 30 June 1964	59 years
After 30 June 1964	60 years

## Preserving upon resignation

If you resign before minimum retirement age (usually 55) you must\* preserve the employer and productivity components of your benefit in the PSS. If you joined the PSS after 30 June 1999 you must also preserve your member component in the PSS.

Once preserved, your member and productivity components will continue to grow at the fund earnings rate until you claim a benefit. We publish Fund earnings rates on our website at [www.pss.gov.au](http://www.pss.gov.au)

Your employer component will increase annually with movements in the Consumer Price Index (CPI).

\*The only exception is where you join an 'eligible superannuation scheme' in which case a transfer of your entire benefit, less accrued surcharge debt, can be paid to that scheme. You can find a full list of eligible schemes on our website at [www.pss.gov.au](http://www.pss.gov.au)

## Preserving upon retrenchment

If you are retrenched before reaching preservation age, the only money you will be able to access immediately as a lump sum payment is your member component up to the SIS Upper Limit. You must preserve the remainder of your benefit (in the PSS or a rollover institution) or you may elect to convert the balance to an immediate pension.

Any member and/or productivity components preserved in the PSS will continue to grow at the Fund earnings rate until you claim the benefit. We publish Fund earnings rates on our website at [www.pss.gov.au](http://www.pss.gov.au)

Your employer component will increase annually with movements in the Consumer Price Index (CPI).

Benefits preserved in rollover institutions will be governed by the institution's rules and regulations.

## Preserving upon age retirement

If you retire after reaching minimum retirement age (usually 55) but before reaching preservation age (which can be as high as 60), SIS limits the amount of lump sum that we can pay immediately to you.

If you retire after your minimum retirement age, but before preservation age, the only money you will be able to access immediately as lump sum payment is your member component (up to the SIS Upper Limit). You must preserve the remainder of your benefit (in the PSS or a rollover institution) or you may elect to convert the balance to an immediate pension.

If you joined the PSS after 30 June 1999, you can not take a lump sum benefit before reaching preservation age and retirement from the Australian workforce.

## Preserving upon election to leave the PSS

As of 1 July 2008, you have the choice to leave the PSS and join an accumulation fund. If you do, we will preserve your benefit in the PSS, and your employer will make future contributions into an alternative accumulation scheme. For most members, the accumulation scheme they must first join is the PSSap. As a member of PSSap, you'll then have choice of fund.

When you leave the PSS, you do not have the option of taking a lump sum of your SIS Upper Limit, or any other portion of your member, productivity or employer benefit. You can roll out any amounts you have paid into the scheme as transfer values, but only if you do it at the time you elect to leave the PSS.

When you later resign (or are retrenched) from the PSS, you have the option of taking your SIS Upper Limit (if any).

For more information, please read **The facts about Ceasing PSS membership** fact sheet.

## Cash Investment Option

Whilst you are a PSS preserved benefit member you may choose the Cash Investment Option for your taxed accumulation components (member and productivity). For further information, please refer to the **PSS Product Disclosure Statement** available from our website at [www.pss.gov.au](http://www.pss.gov.au)

## Eligibility for pension option

The pension option is available only if you preserved the entire amount of your member component in the PSS.

In any situation where you take part of your member component as a lump sum and leave the rest of your benefit preserved in the PSS, you cannot subsequently take that preserved amount as a PSS pension. We must pay it to you as a lump sum.

If, for example, you resign from the PSS before minimum retiring age and you choose to take any part of your member component as a lump sum, you must receive the preserved employer and productivity components and the balance of your member component, if any, as a lump sum payment. In other words, you cannot claim a pension.

Similarly, if you choose to preserve your entire benefit in the PSS but decide later that you'd like to claim part of your benefit as lump sum, you must receive any remaining preserved benefit as a lump sum payment. Examples of such benefit claims include the member component up to the SIS Upper Limit or early release provisions.

### Surcharge

The Superannuation Contributions Surcharge is a tax on surchargeable superannuation contributions. In the PSS, surchargeable superannuation contributions are your employer productivity contributions, and the contributions notionally paid by your employer in a financial year, whilst you are a contributor to the PSS.

If you accrued a surcharge debt while you were a member (and it remains outstanding when you preserve your benefit) you will have to pay interest on that debt. This will be at the 10-year Treasury bond rate at 30 June each year and remains in place until you clear the debt or when we make your benefit payment. You may nominate the benefit component, pension or lump sum, from which you wish us to recover the debt.

For further information see **The facts about the super contributions surcharge** fact sheet, from our website [www.pss.gov.au](http://www.pss.gov.au) or call us on 1300 000 377.

## Estimating the value of my preserved benefit

The i-Estimator is a handy online tool that enables you to estimate your future super benefits. You will need to have your Access Number to use the i-Estimator. If you do not have an Access Number or it has expired, call us on 1300 000 377 to receive one now.

## When is the preserved benefit payable?

You (or your dependants, should you die before claiming it) can apply for a preserved benefit from the earliest of the following dates:

- > On attaining your minimum retirement age (generally age 55), provided you have left the workforce—but note that any lump sum paid to you before preservation age cannot exceed your SIS Upper Limit;
- > at the time of your total and permanent invalidity;
- > at the time of your death; or
- > when you reach age 65.

## Can I rollover my preserved benefit?

It is not possible to transfer your preserved PSS benefit to another superannuation scheme or Approved Deposit Fund prior to reaching age 55 unless:

- (a) You would like your preserved benefit transferred to an 'eligible superannuation scheme'; and
- (b) You preserved your entire benefit in the PSS; that is, you did not take a refund of any part of your member component when you left the PSS.

Eligible superannuation schemes include the following:

- > AV Super (previously known as the CAA Staff Superannuation Fund)
- > Commonwealth Superannuation Scheme
- > Defence Force Retirement and Death Benefits Scheme
- > Northern Territory Government and Public Authorities Superannuation Scheme
- > Parliamentary Contributory Superannuation Scheme
- > QSuper
- > Queensland Electricity Supply Industry Superannuation Scheme

- > Queensland Local Government Employees Superannuation Scheme
- > Queensland Parliamentary Contributory Superannuation Scheme
- > UniSuper Accumulation 2 Plan.

## Can I access any part of my preserved benefit?

### For members resigning from Australian Government employment

If you joined the PSS before 1 July 1999 and preserved your member component when you left, provided you have not returned to eligible employment, you can take a lump sum of your member component up to the SIS Upper Limit at any time.

If you do this, we will pay the employer and productivity components and the balance of your member component (if any) preserved in the PSS to you later as a lump sum. You cannot convert these components to pension. You may also be able to access some of your preserved productivity or employer components if you are able to satisfy the Trustees that you are in severe financial hardship. Additionally, the Australian Prudential Regulation Authority (APRA) may approve the release part or all of these components on compassionate grounds.

### For members who ceased PSS membership, and are still in Australian Government employment

If your benefit was preserved because you chose to cease your PSS membership, you may be able to withdraw all or part of your preserved benefit from the PSS if you subsequently cease your Australian Government employment. Your benefit options at that time will depend on the reason for the cessation of your employment and whether you have satisfied a SIS condition of release.

You can find further information about the early release of preserved benefits on our website [www.pss.gov.au](http://www.pss.gov.au)

## How can I claim my preserved benefit?

To claim your preserved benefit, you will need to contact us. We will send you a benefit application form for you to complete and to return to us.

You can also obtain copies of application forms from our website [www.pss.gov.au](http://www.pss.gov.au)

## What do I need to include with my application form?

For certain types of preserved benefits, you will need to supply certified copies of documents that establish your identity. Details of the number and types of documents required are on the relevant application forms.

## What happens if I return to Australian Government employment after preserving my benefit?

If you return to Australian Government employment with a preserved PSS benefit and your new employer participates in the PSS arrangements, it's a requirement that you become a PSS member again (provided that you do not opt out of the PSS and that you meet the PSS eligibility requirements).

However, if you return to Australian Government employment on a casual or temporary part-time basis, becoming a PSS member is optional.

If you rejoin the PSS, your preserved PSS benefit will cease to apply and you will be credited with a preserved multiple which will be added to your current membership.

If you had chosen the Cash Investment Option whilst you were a preserved benefit member, your funded accumulation components will automatically switch back to the Default Fund on your rejoining the PSS as a contributor.

## Where can I get more information?

EMAIL [members@pss.gov.au](mailto:members@pss.gov.au)

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Belconnen ACT 2616

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