



Leave without pay (LWOP)

Who should read this?

PSS members who are going on Leave Without Pay (LWOP).

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What you should know up front

It is important that you read the disclaimer at the end of this fact sheet. Before making any decisions, please read the **PSS product disclosure statement** and consider seeking advice from a licensed professional such as a financial planner, accountant or solicitor.

What are the LWOP arrangements?

If you are on a period of LWOP (except maternity or parental LWOP) for 12 weeks or less including any of the specified categories of LWOP listed below, you can pay contributions and the period will count as service. You have the flexibility to choose a contribution rate of between 2% and 10% of your salary (as a whole percentage). Or you can choose not to contribute at all.

If you are on a period of LWOP for 12 weeks or more that is not one of the specified categories below, you are not required to pay contributions and the period does not count as service.

However, if your employer agrees to make contributions during the period of LWOP, then you may elect to contribute at a whole percentage between 2% and 10%. You cannot elect to pay contributions at the rate of zero (0%).

Your employer will continue to pay the productivity contributions and your benefit will continue to accrue.

Arrears will accrue where you don't make a prior arrangement to pay contributions during your period of LWOP. You must make arrangements with your employer to repay these member contributions if you accrue arrears while on LWOP.

How does this affect my super?

If you pay contributions while on LWOP, your benefit will continue to accrue in exactly the same way as before you went on LWOP. For more information about contributions, see **The facts about contributing to the PSS** fact sheet, which is available on the PSS website at www.pss.gov.au

If you are on LWOP and are not eligible to make contributions, then your benefit will not accrue during the period of the leave. However, we will continue to apply the earning rate of the fund to the member and productivity components of your benefit.

What are the specified categories of LWOP for which I must make contributions?

The specified categories of LWOP include the following types of leave:

- > sick leave without pay
- > leave without pay in the public interest
- > leave without pay where the employer agrees to pay employer contributions.

During periods of leave for 12 weeks or more you must pay contributions at a whole percentage between 2% and 10%. If your contribution rate was 0% prior to this period of LWOP and you do not elect a new contribution rate, the default rate of 5% will apply.

You cannot elect to pay contributions at the rate of 0% during these periods of leave, even if you were already paying 0% before starting the LWOP.

If you were paying 0% before the LWOP started then your contribution rate will revert back to 0% when your period of leave finishes. There is no need for you to elect again.

Compensation leave

The rate of contributions payable during compensation leave depends on the rate you contributed at on each of the four paydays immediately before the period of compensation leave started.

If your contribution rate on any of the four paydays was 5% or more, then during your compensation leave you may pay contributions at any rate between 5% and 10%.

If you contributed on each of the four paydays at rates below 5% then during your compensation leave you may pay contributions at a rate between the highest contribution you have paid on those four paydays and 10%.

If you contributed 0% on each of the four paydays, then you must contribute at a minimum of 2% during your compensation leave.

The following table provides examples of how the allowed contribution percentage rates are determined during compensation leave.

	Paydays before compensation leave started				% Range allowed
	1st	2nd	3rd	4th	
% Paid	7%	7%	8%	9%	5% to 10%
% Paid	3%	6%	2%	3%	5% to 10%
% Paid	2%	4%	3%	2%	4% to 10%
% Paid	0%	0%	0%	0%	2% to 10%

What rate am I required to contribute while on maternity or parental LWOP?

Member contributions are optional during maternity or parental LWOP regardless of the length of the leave. You may elect to pay contributions at a whole percentage between 2% and 10%.

You cannot elect to pay contributions at the rate of 0% during maternity or parental LWOP even if you were already paying 0% before the leave started.

If you were paying 0% before the maternity or parental LWOP started then your contribution rate will revert back to 0% when your period of leave finishes. There is no need for you to elect again.

If you elect to pay contributions your benefit will continue to accrue. If you don't elect to pay contributions your benefit will not accrue during the period of the leave.

Can I cease PSS membership while on LWOP?

While on LWOP (that does not count as service) you cannot elect to cease PSS membership. This option is only available upon your return to employment.

What do I need to do?

If you are going on LWOP for 12 weeks or more (excluding specified categories) and wish to contribute, you will need to discuss this with your employer. If your employer agrees to make contributions during this period, you are also required to contribute between 2% and 10% of your salary (as a whole percentage).

If you need to change your contribution rate, please complete the **PSS change my super contribution rate** form, which is available on our website, and send to your personnel section. You may also be able to change your contribution rate via email. Check with your personnel section to see which method they prefer.

How do I get more information?

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