



The facts about Pensions for an Eligible Spouse

Who should read this

PSS members who are about to claim a PSS benefit on age or involuntary retirement grounds or their PSS preserved benefit on age grounds and intend to take all or part of that benefit as a pension.

What is in this fact sheet

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What are the changes to the rate of pensions for an eligible spouse?

The Federal Government has recently introduced an option which allows PSS members to elect to receive a lower pension on age or involuntary

retirement, or when they claim their preserved benefit on age grounds, in return for an eligible spouse and / or children receiving a higher pension following their death.

Generally, the new arrangements allow for a member to elect to reduce their pension to 93% of the normal value. This election can be made not earlier than 3 months before, and not later than 3 months after, the pension becomes payable. In return, on the death of the pensioner, an eligible spouse then receives a higher pension.

This option is only available to members who become entitled to their age or involuntary retirement pension or claim their preserved benefit on age grounds on or after 1 July 2003. This option is not available to existing pensioners, invalidity retirees or on the death of a contributing member.

How does this affect your super/pension?

Under normal circumstances, in the event of your death the rates of spouses pension would be as follows:

Spouse and no children	67% of the pension being paid at the date of death
Spouse and 1 child	78% of the pension being paid at the date of death
Spouse and 2 children	89% of the pension being paid at the date of death
Spouse and 3 or more children	100% of the pension being paid at the date of death

sufficient information to enable you to make an informed decision in relation to this choice.

You should ensure that you are fully aware of the future implications of this choice, particularly if your situation in relation to your spouse changes after your election is made.

When you are completing your benefit application form you should then complete the appropriate section regarding this option. In this section you need to either advise that you wish to receive your full pension entitlement or elect to receive a reduced pension of 93% of the normal value.

If, however, you elect to reduce your initial pension to 93% of the normal value, in the event of your death the rates of spouses pension would be as follows:

Spouse and no children	85% of the pension being paid at the date of death
Spouse and 1 child	97% of the pension being paid at the date of death
Spouse and 2 children	108% of the pension being paid at the date of death

Higher pension percentages also apply in the case where there are eligible children but no eligible spouse (i.e. orphans benefits).

Where can you get more information?

EMAIL members@pss.gov.au

PHONE 1300 000 377

FAX 02 6272 9613

MAIL PSS
PO Box 22
Belconnen ACT 2616

WEB www.pss.gov.au

What options do you have?

All members who have this option will be required to choose between leaving their pension at the normal value or electing to reduce their pension to 93% of the normal value.

Our benefit application forms have now been amended to allow members to make this choice when completing the form.

What do you need to do?

If you are about to claim your PSS benefit on age or involuntary retirement grounds or you are about to claim your PSS preserved benefit on age grounds, you should ensure that you have

Warning - This Document Contains General Advice or Information Only

Any advice in this document has been prepared without taking account of your personal objectives, financial situation or needs. Because of this, you should, before acting on any advice in this document, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs.

You may wish to consult a licensed financial planner to do this.

Australian Reward Investment Alliance (ARIA)
ABN: 48 882 817 243 AFSL: 238069 RSE Licence no: L0001397,
Trustee of the Public Sector Superannuation Scheme (PSS)
ABN: 74 172 177 893 RSE: R1004595