



Ceasing PSS membership

Who should read this?

PSS contributing members remaining in Australian Government employment planning to cease PSS membership.

If you plan to make any changes to your super arrangements after reading this fact sheet, we recommend that you seek financial advice before making any decisions.

What is in this fact sheet?

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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 changes?

From 1 July 2008 you can choose where your super goes. You can:

Stay with the PSS - ARIA's defined benefit scheme established to meet the super needs of Australian Government employees with no fees, high employer contributions, automatic insurance and a range of benefit options which include an indexed lifetime pension.

Move to the PSSap - ARIA's accumulation plan set up solely to meet the needs of Australian Government employees with high employer contributions (15.4%), competitive fees, investment choice, and death and invalidity cover.

If you are unsure of your eligibility to join the PSSap, check with your employer. If you are not eligible to go to the PSSap, you can join another eligible scheme.

Move to the PSSap and then exercise choice - Once you join the PSSap, the PSSap rules apply. This means you can leave the PSSap at any time and move to another eligible scheme.

You do not need to make a decision now. You can elect to cease PSS membership at any time, after 1 July 2008. If you do opt out, you need to be aware that you can not return to the PSS. At the time you cease PSS membership, we preserve your existing benefits. While preserved, the taxed component will accrue at the Fund earning rate and the untaxed component will accrue in line with CPI.

Before making a decision you should consider:

- > your personal situation and retirement goals
- > the benefits and features of the PSS
- > what happens if you decide to leave the PSS
- > seeking advice from a licensed financial advisor.

Who can elect to cease their PSS membership?

Contributing members of the PSS who:

- > are paying regular contributions into the PSS
 - > have elected to contribute at 0%
- or
- > are on leave without pay, which counts towards service for superannuation purposes.

What happens if I elect to cease my membership and join another fund?

When you elect to cease PSS membership, one of the following two options will apply to you:

- > If you are eligible to be a member of the PSSap you will automatically join the PSSap.
- or
- > If you are not eligible to be a member of the PSSap you can elect to join a superannuation fund of your choice provided your employer agrees to make superannuation contributions on your behalf into that superannuation fund.

It is very important that you discuss with your employer your intention to cease PSS membership and the options available to you to join another superannuation scheme. Your PSS membership will not cease until you have become a member of another superannuation scheme. It is not sufficient that you elect to cease PSS membership; you must also become a member of another superannuation scheme for the cessation of your PSS membership to take effect.

If I join the PSSap, what rules will apply to me?

For the first 12 months of your PSSap membership, your insurance cover will only be for 'limited' cover. In all other respects the general rules applying to PSSap members will apply to you.

For more information on the PSSap, visit our website at www.pssap.gov.au and read the **PSSap Product Disclosure Statement**.

What happens to my PSS benefit?

We will preserve your PSS benefit in the PSS, until you meet a condition of release, although you may be entitled to withdraw all or part of your preserved benefit if you cease your Australian Government employment (see If I leave my employment, what benefit options do I have?). For more information, please read **The facts about Preservation of Benefits** fact sheet.

Can I take my money out when I cease membership of the PSS?

You can only take any money you have transferred from another fund into the PSS at the time you elect to cease membership of the PSS.

If I leave my employment, what benefit options do I have?

If you are a preserved member as a result of ceasing PSS membership and joining another fund and you have not yet reached your minimum retirement age, you will have the same benefit options as a PSS contributing member when you cease Australian Government employment. This applies where you are retrenched, resign or would have been entitled to a benefit following the sale of a government asset.

For example:

Lily is 47, works for the Australian Taxation Office (ATO), and has been a member of the PSS since 1997.

On 1 September 2008, Lily elects to cease PSS membership, and joins the PSSap. Her accrued PSS benefits are preserved in the PSS.

On 1 September 2009, Lily resigns from the ATO and she has three options available in relation to her PSS benefit. These options are:

- > leave her entire benefit preserved in the PSS
- or
- > take a refund of her member component, up to her SIS upper limit preserving the balance
- or
- > transfer the entire benefit to an eligible superannuation scheme. Please read the **PSS Super Book** at www.pss.gov.au for the list of eligible superannuation schemes.

Lily will also have a PSSap benefit. For more information, please read **The facts about Withdrawing your super** at www.pssap.gov.au

If you claim your benefit after you reach your minimum retirement age, you will be accessing a preserved age retirement benefit.

For more information, please read **The facts about Preservation of benefits** fact sheet.

Can I rejoin the PSS at any time?

No. It is important to note that once you have made a valid election to cease your PSS membership, we will preserve your benefit and there is no option to re-join the scheme at a later date.

By making the election to cease PSS membership, you do so in respect of all your PSS memberships, including concurrent memberships.

Where can I get more information?

EMAIL members@pss.gov.au

PHONE 1300 000 377

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