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Salary sacrifice

This factsheet is for contributing Commonwealth Superannuation Scheme (CSS) members who may wish to save extra money in the Australian Government super environment by establishing a salary sacrifice arrangement through their employer. This involves salary sacrificing into Public Sector Superannuation accumulation plan (PSSap), not CSS.

As a contributing CSS member, you can choose to salary sacrifice into PSSap, building more wealth in the Australian Government super environment.

Salary sacrifice is an arrangement between you and your employer where you agree for some of your before-tax salary to be paid into super. It can provide a tax effective way to build extra super, helping to supplement your primary benefit from CSS in retirement.

To salary sacrifice into government super, you must first join PSSap as an Ancillary member (salary sacrifice contributions are not allowed under scheme rules in CSS). For details on joining PSSap please see the reverse.

IMPORTANT: Joining PSSap as an Ancillary member will not change your CSS membership or final benefit calculation in any way. It means that you will be a member of two government super schemes – CSS and PSSap. Your final PSSap benefit will be entirely separate to your CSS one.

Benefits of salary sacrifice

Boost your total super savings

Even salary sacrificing small amounts – such as \$50 or \$100 each fortnight – can grow into a much larger account balance over time, thanks to investment returns and the tax concessions for superannuation. So the sooner you start, the more you can save.

Reduce your taxable income

Because salary sacrifice contributions are paid from your before-tax salary, saving for retirement can lower your taxable income, reducing how much tax you pay each year.

Transition to retirement strategy

Contributing CSS members who have met their preservation age can transition into retirement using PSSap. This strategy involves receiving regular income from an account-based retirement product called Commonwealth Superannuation Corporation retirement income (CSCri) as you salary sacrifice into PSSap while continuing in full or part-time work. For information please visit cscri.gov.au and consider personal financial advice (explained on the reverse).

Your Government Super at Work

Any financial product advice in this document is general advice only and has been prepared without taking account of your personal objectives, financial situation or needs. Before acting on any such general advice, you should consider the appropriateness of the advice, having regard to your own objectives, financial situation or needs. You may wish to consult a licensed financial advisor. You should obtain a copy of the **CSS Product Disclosure Statement** and consider its contents before making any decision regarding your super.

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Join PSSap as an Ancillary member

To enable you to salary sacrifice into government super, contributing CSS members can join PSSap as an Ancillary member.

An Ancillary membership of PSSap allows the following eligible contributions only:

- > salary sacrifice (before-tax/concessional) contributions
- > personal (after-tax/non-concessional) contributions
- > spouse contributions
- > rollovers from other superannuation funds.

Super Guarantee (SG) contributions are NOT allowed and members cannot currently take up the insurance cover available to full PSSap members.

Key features

Scheme membership	PSSap Ancillary member
Type of scheme	Profit for members, meaning net investment returns are returned to members
Eligible contributions	<ul style="list-style-type: none"> > Salary sacrifice > Personal (after-tax/non-concessional) contributions > Spouse contributions > Rollovers from other superannuation funds
Investment choice	One or a mix of up to four investment options: <ol style="list-style-type: none"> 1. Cash 2. Income Focused 3. Balanced 4. Aggressive You must choose an investment option when you join
Insurance cover	No insurance cover is available to a PSSap Ancillary member (however, death and invalidity cover is available through CSS)
Fees and costs	Includes investment fees and a modest monthly administration fee – for full details see the PSSap Product Disclosure Statement (PDS) including the Ancillary membership booklet , available at pssap.gov.au
Keeping you informed	<ul style="list-style-type: none"> > Online account management > Annual member statement > Customer Information Centre

What do I need to do to become a PSSap Ancillary member?

1. Read the **PSSap Product Disclosure Statement (PDS)** (including the Ancillary membership booklet) and the **PSSap Financial Services Guide (FSG)**. Then simply complete the **Apply to join PSSap as an Ancillary Member** form.
2. Check whether your employer allows you to salary sacrifice into super (salary sacrifice is an arrangement between you and your employer). Most departments and agencies do but it is best to confirm with your personnel section first.
3. Instruct your employer to deduct your nominated salary sacrifice amount from your regular pay (remember to stay within your annual contribution limits).
4. To roll over other super to your PSSap Ancillary account, use the **PSSap Transfers** form.

If you wish to also access a CSCri transition to retirement income stream:

5. Read the **CSCri Product Disclosure Statement (PDS)** and **Financial Services Guide (FSG)**. Then complete the **Apply for a CSC retirement income** form.

Do you need financial advice?

Salary sacrifice is just one wealth building strategy that you may wish to discuss with a qualified financial planner who understands CSS and your individual situation. Personal financial advice can help to achieve your financial needs and goals now and in the future.

To make a personal financial advice service available to you, your super trustee, Commonwealth Superannuation Corporation, has partnered with experienced financial planners from Industry Fund Services. It is 'fee for service' advice, which means you receive a fixed quote upfront. There are no obligations, commissions or hidden fees.

To book today please call **1300 277 777** during business hours or visit csc.gov.au/advice to learn more.

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