



Superannuation Act 1976 (Method for Allocating Interest — CSS) Determination 2016

as amended

made under section 154A of the *Superannuation Act 1976*

Compilation start date: 1 July 2018

Includes amendments up to: *Superannuation Act 1976 (Method for Allocating Interest – CSS) Amendment Determination 2018*

About this compilation

This compilation

This is a compilation of the *Superannuation Act 1976 (Method for Allocating Interest – CSS) Determination 2016* that shows the determination as amended and in force on 1 July 2018 (the *compilation date*).

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Part 1 Preliminary

1 Name of Determination

This Determination is the *Superannuation Act 1976 (Method for Allocating Interest — CSS) Determination 2016*.

2 Commencement

This Determination commences on 1 March 2017.

3 Application

This Determination applies for the calculation of interest under the *Superannuation Act 1976* in relation to:

- (a) a period of interest commencing on or after 1 March 2017; and
- (b) such portion of a period of interest commencing before 1 March 2017 which occurs on or after 1 March 2017.

Note 1: The *Superannuation Act 1976 (Allocated Interest — CSS) Determination 2007* set rules for the calculation of interest for periods or parts of periods that occur before 1 March 2017.

Note 2: Rates of interest which are allocated in accordance with this instrument are determined by CSC and regularly published on the CSS website at: www.css.gov.au

4 Interpretation

- (1) In this Determination:

accumulated employer contributions has the same meaning as in section 110Q of the Act.

Act means the *Superannuation Act 1976*.

associate deferred benefits has the same meaning as in Part IXB of the Act.

basic contributions component has the same meaning as in Part IXB of the Act.

Cash Option means the investment choice under which interest on a prescribed amount is calculated under clause 26.

Cash Option investment period, for an amount in the Cash Option in relation to a person, means the period:

- (a) commencing, on or after 1 March 2017:
 - (i) for an amount that was in the Cash Option on 1 March 2017 — on 1 March 2017; or
 - (ii) for an amount that has been switched from the Default Fund to the Cash Option — the switch day for that switch; or
 - (iii) in any other case — on the first day of interest for that amount; and
- (b) ending, after 1 March 2017, on:
 - (i) if the amount is switched back to the Default Fund — the day before the switch day for that switch; or
 - (ii) otherwise — the person's termination day.

CSC (short for Commonwealth Superannuation Corporation) has the same meaning as in the *Governance of Australian Government Superannuation Schemes Act 2011*.

Default Fund means the fund in which a prescribed amount is invested if the Cash Option does not apply to the amount.

Default Fund investment period, for an amount in the Default Fund in relation to a person, means the period:

- (a) commencing, on or after 1 March 2017, on:
 - (i) for an amount that was in the Default Fund on 1 March 2017 — on 1 March 2017; or
 - (ii) for an amount that has been switched from the Cash Option to the Default Fund — the switch day for that switch; or
 - (iii) in any other case — the first day of interest for that amount; and
- (b) ending, after 1 March 2017, on:
 - (i) if that amount is switched to the Cash Option — the day before the switch day for that switch; or
 - (ii) otherwise — the person's termination day.

early release deduction amount has the same meaning as in section 79A of the Act.

employer contributions component has the same meaning as in Part IXB of the Act.

entry rate is the rate applied with respect to the beginning of an investment period following an investment switch, and has the meaning given by clause 24A.

exit rate is the rate applied with respect to the end of an investment period preceding an investment switch, and has the meaning given by clause 24A.

first day of interest, in relation to a prescribed amount, means the later of the following days:

- (a) the day according to the meaning given by Part 2 of Schedule 1;
- (b) 1 March 2017.

former eligible employee means:

- (a) a person to whom a deferred benefit is applicable; or
- (b) a person to whom a postponed benefit is applicable; or
- (c) a person who has requested a delayed updated pension under the Act as modified by Schedule 11 to the Superannuation (CSS) Former Eligible Employees Regulations.

Fund means the CSS Fund established by the Act.

funded component has the same meaning as in Part IXB of the Act.

member spouse has the same meaning as in Part IXB of the Act.

minimum amount on exit has the meaning given by clause 5.

non-member spouse has the same meaning as in Part IXB of the Act.

operative time has the same meaning as in Part IXB of the Act.

original interest has the same meaning as in Part IXB of the Act.

payment split has the same meaning as in Part IXB of the Act.

period of interest has the meaning given by clause 8.

prescribed amount, in relation to a person who has ceased to be an eligible employee, has the meaning given by Part 1 of Schedule 1.

section 110SL component has the same meaning as in Part IXB of the Act.

section 130B component has the same meaning as in Part IXB of the Act.

splitting agreement has the same meaning as in Part IXB of the Act.

supplementary contributions component has the same meaning as in Part IXB of the Act.

switch amount means:

- (a) in relation to a person who has switched from the Default Fund to the Cash Option — the amount mentioned in item 127 of Schedule 1 in relation to the person, other than any prescribed amount received in relation to the person under item 114 of Schedule 1 and any interest accrued on that amount; or
- (b) in relation to a person who has switched from the Cash Option to the Default Fund — the amount mentioned in item 128 of Schedule 1 in relation to the person.

switch day, in relation to a person who has nominated to switch from the Default Fund to the Cash Option, or from the Cash Option to the Default Fund, means a day on or after 1 March 2017:

- (a) if the nomination is received on or before the last Friday in a month — the first Wednesday after the last Friday in the month; or
- (b) if the nomination is received after the last Friday in a month — the first Wednesday after the last Friday in the following month.

termination day has the meaning given by clause 6.

transfer amount has the same meaning as in Part IXB of the Act.

Note The Act defines a number of words and expressions which also apply to instruments made under the Act. These include:

- accumulated basic contributions
- accumulated contributions
- accumulated supplementary contributions
- basic contributions
- supplementary contributions.

- (2) In this Determination, a reference to **CSC** includes a reference to the trustee of the CSS at the relevant time, including the Australian Reward Investment Alliance (ARIA) established under former s 20 of the *Superannuation Act 1990* and the CSS Board established under former section 27A of the Act.

5 Minimum amount on exit

- (1) In this determination, *minimum amount on exit*, in relation to a person, means, subject to clause 16, the total of:
- (a) any prescribed amount applicable in relation to the person before 1 July 2003, other than:
 - (i) amounts mentioned in item 116, 117, 118, 119 or 120 of Schedule 1; and
 - (ii) amounts that have already been counted towards the person's minimum amount on exit as part of another prescribed amount in relation to the person; and
 - (b) interest accrued in accordance with the *Superannuation Act 1976 (Interest) Determination 2007* on any amount mentioned in paragraph (a) before 1 July 2003; and
 - (c) any prescribed amount that:
 - (i) becomes applicable in relation to the person:
 - (A) on or after 1 July 2003; and
 - (B) on or before 30 June 2007; and
 - (ii) is not:
 - (A) an amount mentioned in item 116, 117, 118, 119 or 120 of Schedule 1; and
 - (B) an amount of interest accruing on or after 1 July 2003 that form part of a prescribed amount; and
 - (C) an amount of interest forming part of such an amount, or accruing on a prescribed amount on or after 1 July 2003; and
 - (D) an amount that has already been counted towards the person's minimum amount on exit as part of another prescribed amount in relation to the person.
- (2) If an amount is paid to CSC under subsection 140 (2) of the Act in relation to a person, the person's minimum amount on exit is:
- (a) if the person ceased to be an eligible employee before 1 July 2003 — the amount paid into the Superannuation Fund under subsection 140 (3) of the Act in relation to that person; or
 - (b) if the person ceased to be an eligible employee on or after 1 July 2003 — the amount paid into the Superannuation Fund under subsection 140 (3) of the Act in relation to that person that equals the amount that would have been paid to the person if he or she had ceased to be an eligible employee on 30 June 2007.

Note: A person's minimum amount on exit may be reduced by an early release deduction amount in relation to that person.

6 Termination day

Benefits payable on or before age 65

- (1) Subject to subclauses (2) and (3), the termination day in respect of:

- (a) a benefit that has become payable, whether in full or in part, to a person on the day on which the person ceases to be an eligible employee; or
- (b) any benefit that has become payable, whether in full or in part, to a person who has ceased to be a former eligible employee; or
- (c) associate deferred benefits which have become payable, whether in full or in part, to a non-member spouse; or
- (d) deferred benefits which:
 - (i) become payable under subsection 138(2) of the Act on the day immediately following the 65th anniversary of the person's birth; or
 - (ii) would, but for subsection 138(4) of the Act, become payable under subsection 138(2) of the Act on the day immediately following the 65th anniversary of the person's birth,
 is the earlier of:
 - (e) the day on which CSC determines the benefit or part of the benefit that has become payable; or
 - (f) the day 3 months after the benefit, or part of the benefit, becomes payable; or
 - (g) the day the person attains the age of 65 years and 3 months.

Benefits payable after age 65

- (2) Despite subsection (1), the termination day in respect of:
 - (a) a benefit, or part of a benefit, payable to a person who ceases to be an eligible employee after attaining age 65; or
 - (b) a deferred benefit, or part of a benefit, applicable to a person who is involuntarily retired after age 65;
 is the earlier of:
 - (c) the day on which CSC determines the benefit or part of the benefit that has become payable; and
 - (d) the day 3 months after the person last ceased to be an eligible employee.

Termination day of 1 March 2017

- (3) If the application of subclause (1) or (2) would otherwise result in the termination day for a person being a day before 1 March 2017, the termination day in respect of that person is 1 March 2017.

7 Tax on productivity contributions and transferred amounts

For the definitions of *minimum amount on exit* in clause 5 and *switch amount* in clause 4, any amount mentioned in item 114 or 122 of Schedule 1 will be adjusted on the earlier of:

- (a) the day CSC receives the payment; or
 - (b) the termination day with respect to the person;
- by an amount equal to the amount in the nature of income tax relevant to that amount.

Part 2 Application of interest

8 Calculation of interest — Default Fund

- (1) Subject to clause 3, this clause applies in respect of a prescribed amount for each Default Fund investment period.
- (2) If any part of a period of interest in respect of a prescribed amount in relation to a person who has ceased to be:
- (a) an eligible employee; or
 - (b) a former eligible employee; or
 - (c) a non-member spouse;

commences on or after 1 March 2017, interest is calculated and payable as appropriate in respect of that prescribed amount shall be taken to have accrued during that part of the period at the daily compound rate or rates of interest calculated in accordance with the process mentioned in clause 9.

Note See Part 3 for the provisions relating to a non-member spouse.

- (3) If the application of the rate or rates worked out under subclause (2) would result in the total of the person's prescribed amounts and interest being less than the person's minimum amount on exit, the total is adjusted to the minimum amount on exit.
- (4) In this clause, *period of interest*, in respect of a prescribed amount, means the period in respect of which interest is, under clauses 10 to 14A, Part 3 and clause 32, payable in respect of the prescribed amount.
- (5) This clause applies to a prescribed amount involved in a switch from the Cash Option to the Default Fund as if:
- (a) each reference to a person who has ceased to be an eligible employee included:
 - (i) an eligible employee; or
 - (ii) a former eligible employee; or
 - (iii) a non-member spouse;
 who has nominated to switch from the Cash Option to the Default Fund; and
 - (b) each reference to the period of interest for the prescribed amount were a reference to the Default Fund investment period that follows the switch.

9 Method of ascertaining and applying interest rate

General application of rates

- (1) For clause 8, the interest rate for a period of interest is worked out as follows:
- (a) divide the period into segments that include all full months and part months during the period;

(b) work out the rate for each segment using the following formula:

$$[(1+E) / (1+S)] - 1$$

where:

E is the end rate of interest for the segment (see subsection (2))

S is the start rate of interest for the segment (see subsection (2))

Note 1: The possible types of segments are described in subclause (2) below.

Note 2: Where subclause (6) applies, a new segment or segments will be created for a period which may comprise a partial month(s) and/or complete month(s) in a single segment.

Note 3: Where investment switches apply, this will create separate periods of interest for the Default Fund investment period (cl 8) and the Cash Option investment period (cl 26). Special 'entry rates' and 'exit rates' apply under clause 24A for these periods.

(2) For subclause (1)(b), subject to subsection (3), the start rate of interest (S) and the end rate of interest (E) for a segment, for the purposes of applying the formula, are the daily compound rates determined by CSC for the relevant days, as described in the following table:

Item		For a segment that ...	S equals...	E equals...
1	<i>Complete months</i>	is a complete month	zero	the rate determined by CSC for the last day of the month
2	<i>Part months</i>	commences on the first day of a month and ends during the month	zero	the rate determined by CSC for the last day of the segment
3		does not commence on the first day of a month, and does not end on the last day of the month	the rate determined by CSC for the day before the first day of the segment	the rate determined by CSC for the last day of the segment
4		does not commence on the first day of a month, and ends on the last day of the month	the rate determined by CSC for the day before the first day of the segment	the rate determined by CSC for the last day of the month

Note 1: Where subclause (6) applies, this will effectively create a new segment, in relation to which the interest rate is zero.

Note 2: CSC determines interest rates separately (not under this instrument), typically on a daily compound basis throughout each month. CSC may publish these rates (see subclause (9)). Different rates apply depending on whether the period of interest relates to the Default Fund or the Cash Option.

Days for which no rate is determined

- (3) If there is no rate determined by CSC for a day mentioned in the table in subclause (2) (the relevant day) at the time that CSC is applying the formula in subclause (1), the rate for the relevant day is:
- (a) the rate for the next occurring day within the same month for which a rate has been determined by CSC;
 - (b) if no rate has been determined for a later day within the same month as described in paragraph (a) — the rate for the day most recently preceding the relevant day within the same month, in relation to which a rate has been determined by CSC; or
 - (c) if no rate has been determined for a later or earlier day within the same month as described in paragraph (a) or (b) — zero.

Example 1: Where a segment ends on a Saturday or Sunday (CSC does not determine rates for non-business days) the applicable rate will generally be the Monday rate if that occurs within the month, or the Friday rate if the month ends on the weekend.

Example 2: When CSC is required to calculate interest up to the date a benefit is determined, there will usually be no rate determined for that day for several more days. CSC would use the last known rate within the month to calculate that benefit on that day. If there is no last known rate (eg at the beginning of the month), the rate would be zero.

Note: Where a period of interest begins or ends because of an investment switch, the rules for determining the applicable rate of interest for the day before the switch day and the switch day are set out in clause 24A.

Rate is not overtaken by subsequent determination

- (4) If:
- (a) an interest rate is applied on a day under subclause (1) (the ***applied interest rate***) for calculating a benefit in relation to a person who has ceased to be:
 - (i) an eligible employee; or
 - (ii) a former eligible employee; and
 - (b) on a later day CSC determines an interest rate for that day which is different to the applied interest rate (the ***later determined rate***);
- then:
- (c) for the person, the applied interest rate is taken to have been properly applied and the later determined rate has no effect.

Note: This means that where the rate is determined for a day on which CSC applied a different rate under subclause (3), the later determination of the rate for that day does not affect the benefit calculation.

- (5) Subclause (4) does not apply to a later determination made by CSC that only corrects an error.

Zero interest periods

- (6) Despite subclause (1), for clause 8, the interest rate applicable to a prescribed amount during a period in which the relevant prescribed amount is not in the Fund is zero.

(7) Without limiting the generality of subclause (6), situations in which that subclause applies include the circumstances set out in Schedule 2.

(8) To avoid doubt, subclause (6) does not apply to the extent that the Act or this determination provides for interest to accrue in respect of prescribed amounts that are not amounts paid into the Fund.

Example 1: Amounts of unfunded productivity contributions under section 110Q(1)(c) are required to accrue interest as if they were funded amounts (see clause 11 and item 114 of Part 1 of Schedule 1).

Example 2: Interest on early release deduction lump sums is required to be calculated to enable the calculation of the reduction of the person's eventual benefit (see clause 14A and item 129 of Part 1 of Schedule 1); however, these amounts are not in the Fund for the period of interest.

Publication of daily rates

(9) CSC may, from time to time, publish determined interest rates in any manner it chooses.

Example: CSC may publish interest rates it has determined on the CSS website at www.css.gov.au.

10 Ascertaining accumulated basic contributions or accumulated supplementary contributions — calculation of interest

(1) This clause applies for the purpose of ascertaining:

- (a) the accumulated basic contributions or the accumulated supplementary contributions of a person who has ceased to be an eligible employee (whether for the first time or otherwise); or
- (b) the amount that, by virtue of section 7A of the Act, is to be added to the amount that would, but for that section, be the amount of the accumulated basic contributions or accumulated supplementary contributions of a person who has ceased to be an eligible employee on an occasion earlier than his first day of service, or who, immediately before becoming an eligible employee, was an existing invalidity pensioner.

(2) Interest, calculated in accordance with clause 8, is payable in respect of any amount that is a prescribed amount in relation to a person who has ceased to be an eligible employee in respect of the period commencing on the day that is the first day of interest in relation to the prescribed amount and ending on the day that is the termination day in relation to the person.

(3) If the application of the rate or rates worked out under subclause (2) would result in the total of the person's prescribed amounts and interest being less than the person's minimum amount on exit, the total is adjusted to the minimum amount on exit.

11 Ascertaining accumulated employer contributions of a person who has ceased to be eligible employee — calculation of interest

- (1) This clause applies for the purpose of ascertaining the accumulated employer contributions of a person who has ceased to be an eligible employee (whether for the first time or otherwise).
- (2) Interest calculated in accordance with clause 8 is payable in respect of the prescribed amounts described in item 114 or 115 of Schedule 1, provided that the prescribed amount is adjusted by an amount equal to the amount in the nature of income tax relevant to that contribution on the earlier of the following days:
- (a) the day CSC receives the payment;
 - (b) the termination day with respect to the person.

12 Ascertaining accumulated government body contributions or notional accumulated SG contributions for section 62A of the Act — calculation of interest

- (1) This clause applies for the purpose of ascertaining:
- (a) the accumulated government body contributions within the meaning of subsection 62A (1) of the Act; or
 - (b) the notional accumulated SG contributions within the meaning of subsection 62A (1) of the Act in relation to a person who has ceased to be an eligible employee after 30 June 1993.
- (2) Notional interest is calculable in respect of the prescribed amounts described in item 116 or 117 of Schedule 1 in accordance with clause 8 as if:
- (a) a reference in clause 8 to ‘interest’ were a reference to ‘notional interest’; and
 - (b) a reference in clause 8 to ‘payable’ were a reference to ‘calculable’; and
 - (c) subclause 8 (4) were omitted and the following subclause inserted:
 - ‘(4) In this clause, *period of interest*, in respect of a prescribed amount means the period commencing on the day that is the first contribution day in relation to the person in the relevant period of employment within the meaning of subsection 62A (1) and ending on the day that is the termination day in relation to the person.’

13 Ascertaining accumulated government body contributions or notional accumulated SG contributions for section 110SB of the Act — calculation of interest

- (1) This clause applies for the purpose of ascertaining:
- (a) the accumulated government body contributions within the meaning of subsection 110SB (1) of the Act; or
 - (b) the notional accumulated SG contributions within the meaning of subsection 110SB (1) of the Act of a person who has ceased to be an eligible employee after 30 June 1992.

- (2) Notional interest is calculable in respect of the prescribed amounts described in item 118 or 119 of Schedule 1 in accordance with clause 8 as if:
- (a) a reference in clause 8 to ‘interest’ were a reference to ‘notional interest’; and
 - (b) a reference in clause 8 to ‘payable’ were a reference to ‘calculable’; and
 - (c) subclause 8 (4) were omitted and the following subclause inserted:
 - ‘(4) In this clause, *period of interest*, in respect of a prescribed amount means the period commencing on the day that is the first contribution day in relation to the person in the relevant period of employment within the meaning of subsection 110SB (1) and ending on the day that is the termination day in relation to the person.’.

14 Amounts mentioned in paragraphs 110SN (a) and 130D (1) (a) of the Act — calculation of interest

- (1) This clause applies for the purpose of ascertaining:
- (a) the amount mentioned in paragraph 110SN (a) of the Act; or
 - (b) the amount mentioned in paragraph 130D (1) (a) of the Act.
- (2) Interest is payable in respect of the prescribed amount described in item 121 or 122 of Schedule 1, in respect of each person entitled to a prescribed amount:
- (a) calculated in accordance with clause 8; and
 - (b) subclause 8 (4) were omitted and the following subclause inserted:
 - ‘(4) In this clause, *period of interest*, in respect of a prescribed amount, means the period:
 - (a) commencing on the day that is the first day of interest in relation to the prescribed amount; and
 - (b) ending on the person’s termination day.’.

14A Ascertaining a person's early release deduction amount — calculation of interest

- (1) This clause applies for the purpose of ascertaining the amount mentioned in the definition of **early release deduction amount** in subsection 79A(1) of the Act.
- (2) Interest is ascertained in respect of any prescribed amount described in item 129 of Part 1 of Schedule 1 in accordance with clause 8 as if:
- (a) a reference to a person who has ceased to be an eligible employee included a reference to a person in respect of whom an early release lump sum has been paid in accordance with Division 4A of Part V;
 - (b) any reference to the word ‘payable’ is a reference to the word ‘applied’;
 - (c) subclause 8(4) were omitted and the following subclause inserted:
 - ‘(4) In this clause, *period of interest*, in respect of a prescribed amount, means the period:

- (a) commencing on the day that is the first day of interest in relation to the prescribed amount; and
 - (b) ending on the day when, in accordance with Division 4A of the Act, the early release deduction amount is required to be deducted.
- (3) For the purposes of the definition of **modified early release deduction amount** in subsection 79A(1) of the Act, that amount is equal to the sum of the amount of each prescribed amount described in subclause (2) of this clause and interest ascertained on each amount under that subclause.

Part 3 Family law matters

15 Payment split — calculation of interest

For Part 2, if interest is required to be calculated at the operative time for a payment split, interest is to be calculated and applied in accordance with clause 8 even though at that time:

- (a) a person may not have ceased to be:
 - (i) a member; or
 - (ii) a preserved benefit member; or
 - (iii) a person with associate deferred benefits; and
- (b) a benefit may not have become payable.

16 Interest payable on contributions etc in a family law payment split — meaning of *minimum amount on exit*

- (1) Subject to subclauses (2) and (3), in the event of a payment split:
 - (a) the member spouse's minimum amount on exit is the amount worked out under the definition of *minimum amount on exit* in subclause 5 (1) in relation to the member spouse at the operative time, less the proportion of that amount that is transferred to the non-member spouse; and
 - (b) the non-member spouse's minimum amount on exit is the proportion of the amount worked out under the definition of *minimum amount on exit* in subclause 5 (1) in relation to the member spouse at the operative time that is transferred to the non-member spouse.
- (2) If a member spouse's original interest following a payment split (the *first payment split*) is subject to a further payment split, subclause (1) applies to the further payment split as if:
 - (a) each reference to the amount worked out under the definition of *minimum amount on exit* in subclause 5 (1) in relation to the member spouse were a reference the amount worked out under paragraph (1) (a) on the first payment split; and
 - (b) the reference in paragraph (1) (a) to the operative time were a reference to the operative time in relation to the further payment split.
- (3) If a non-member spouse's (the *first non-member spouse's*) benefits following a payment split (the *first payment split*) are subject to a further payment split, subclause (1) applies to the further payment split as if:
 - (a) each reference to the member spouse were a reference to the first non-member spouse; and
 - (b) each reference to the non-member spouse were a reference to the person who is the non-member spouse in relation to the first non-member spouse; and
 - (c) each reference to the amount worked out under the definition of *minimum amount on exit* in subclause 5 (1) in relation to the member

- spouse were a reference to the amount worked out under paragraph (1) (b) on the first payment split; and
- (d) the reference in paragraph (1) (b) to the operative time were a reference to the operative time in relation to the further payment split.

17 Ascertaining the funded component of transfer amount for non-member spouse — calculation of interest

- (1) For the purpose of ascertaining the funded component of the transfer amount of a non-member spouse:
- (a) CSC must treat the member spouse's original interest as if the benefits had become payable to the member spouse at the operative time for the payment split; and
- (b) interest that is calculated in accordance with clause 8 must be applied to the prescribed amounts that comprise the member spouse's original interest only to the operative time for the payment split.
- (2) The amount calculated under subclause (1), adjusted by the funded component of the transfer amount for the non-member spouse at the operative time for the payment split, is taken to be a prescribed amount for the member spouse at the operative time.
- (3) Subclauses (1) and (2) do not prevent the application of clause 8 to the calculation of the member spouse's benefits that become payable after the operative time for the payment split.
- (4) For ascertaining the funded component of the transfer amount of a non-member spouse following a payment split applying to associate deferred benefits of another non-member spouse (the *first non-member spouse*):
- (a) CSC must treat the associate deferred benefits of the first non-member spouse as if the benefits had become payable at the operative time for the later payment split; and
- (b) interest that is calculated in accordance with clause 8 must be applied to the prescribed amount mentioned in item 123 of Schedule 1 that comprises the first non-member spouse's benefits only to the operative time for the later payment split.
- (5) The amount calculated under subclause (4), adjusted by the funded component of the transfer amount at the operative time for the payment split, is taken to be a prescribed amount for the first non-member spouse at the operative time.
- (6) Subclauses (4) and (5) do not prevent the application of clause 8 to the calculation of the first non-member spouse's benefits that become payable after the operative time for the later payment split.

18 Ascertaining the associate deferred benefits payable to a member spouse — superannuation interest subject to payment split

- (1) This clause applies for the purpose of ascertaining the associate deferred benefits payable to a member spouse whose original interest is subject to a payment split.
- (2) Interest is to be calculated, with respect to the original interest, in accordance with clause 8 as if a reference in clause 8 to an eligible employee were a reference to the member spouse.
- (3) In addition to subclause (2), and for section 146ME of the Act, the amounts mentioned in an item of the table are reduced in accordance with that item.

Item	This amount ...	is reduced by ...
1	the accumulated basic contributions in respect of the original interest	the sum of: <ul style="list-style-type: none"> (a) the basic contributions component; and (b) the interest accruing on that component after the operative time for the payment split calculated in accordance with subclause (4)
2	the accumulated supplementary contributions in respect of the original interest	the sum of: <ul style="list-style-type: none"> (a) the supplementary contributions component; and (b) the interest accruing on that component after the operative time for the payment split calculated in accordance with subclause (4)
3	the accumulated employer contributions in respect of the original interest	the sum of: <ul style="list-style-type: none"> (a) the employer contributions component; and (b) the interest accruing on that component after the operative time for the payment split calculated in accordance with subclause (4)
4	any benefit under section 110SN of the Act in respect of the original interest	the sum of: <ul style="list-style-type: none"> (a) the section 110SL component; and (b) the interest accruing on that component after the operative time for the payment split calculated in accordance with subclause (4)
5	any benefit under section 130D of the Act in respect of the original interest	the sum of: <ul style="list-style-type: none"> (a) the section 130B component; and (b) the interest accruing on that component after the operative time for the payment split calculated in accordance with subclause (4)

- (4) Clause 8 applies to each component mentioned in subclause (2) or (3) for the period beginning on the first day of interest and ending at the end of the termination day as if:
- (a) the operative time for the payment split occurred on the first day of interest for that component; and
 - (b) interest on that component were to be calculated in accordance with the rate or rates of interest applicable to the member spouse.

Note 1: Section 146ME of the Act provides that the original interest of a member spouse that is the subject of a payment split is not adjusted until the original interest becomes payable as a benefit.

Note 2: The amounts mentioned in section 146ME of the Act, on which interest is to accrue with effect from the operative time, comprise the definition of *funded component* in Part IXB of the Act.

19 **Ascertaining the associate deferred benefits payable to a non-member spouse — superannuation interest not subject to payment split**

- (1) This clause applies for the purpose of ascertaining the associate deferred benefits payable to a non-member spouse that are not subject to a payment split.
- (2) Interest is to be calculated with respect to the associate deferred benefits in accordance with clause 8 as if:
 - (a) a reference in clause 8 to a prescribed amount were a reference to the amount mentioned in item 123 of Schedule 1; and
 - (b) a reference in clause 8 to an eligible employee were a reference to the non-member spouse; and
 - (c) a reference in clause 8 to a period of interest were a reference, in respect of the amount mentioned in item 123 of Schedule 1, to the period:
 - (i) beginning on the operative time mentioned in item 210 of Schedule 1; and
 - (ii) ending on the termination day.

20 **Ascertaining the associate deferred benefits payable to a non-member spouse — superannuation interest subject to payment split**

- (1) This clause applies for the purpose of ascertaining the associate deferred benefits payable to a non-member spouse (the *first non-member spouse*) whose associate deferred benefits are subject to a payment split.
- (2) Interest is to be calculated with respect to the associate deferred benefits in accordance with clause 8 as if:
 - (a) a reference in clause 8 to a prescribed amount were a reference to the amount mentioned in item 123 of Schedule 1; and
 - (b) a reference in clause 8 to an eligible employee were a reference to the first non-member spouse; and
 - (c) a reference in clause 8 to a period of interest were a reference, in respect of the amount mentioned in item 123 of Schedule 1, to the period:

- (i) beginning on the operative time mentioned in item 210 in Schedule 1; and
 - (ii) ending on the termination day;
- provided that, for section 146MF of the Act, the associate deferred benefits are to be adjusted by each amount that comprises the funded component of the transfer amount at the operative time for the payment split, together with interest on each amount calculated in accordance with subclause (3).
- (3) Clause 8 applies to each amount that comprises the funded component of the transfer amount for the period beginning on the first day of interest and ending at the end of the termination day as if:
- (a) the operative time for the payment split occurred on the first day of interest for that component; and
 - (b) interest on that component were to be calculated in accordance with the rate or rates of interest applicable to the member spouse.

Note Section 146MF of the Act provides that the associate deferred benefits of a non-member spouse that are the subject of a payment split are not adjusted until the associate deferred benefits become payable as a benefit. Order 2.11 of the *Superannuation (Family Law — Superannuation Act 1976) Orders 2004* sets out the methodology to be applied to effect the reduction of the associate deferred benefits.

21 Ascertaining the associate deferred benefits payable to a second non-member spouse — superannuation interest subject to payment split

- (1) This clause applies for the purpose of ascertaining the associate deferred benefits payable to a non-member spouse (the *second non-member spouse*) if the associate deferred benefits of another non-member spouse are subject to a payment split.
- (2) Interest is to be calculated with respect to the associate deferred benefits in accordance with clause 8 as if:
 - (a) a reference in clause 8 to a prescribed amount were a reference to the amount mentioned in item 124 of Schedule 1; and
 - (b) a reference in clause 8 to an eligible employee were a reference to the second non-member spouse; and
 - (c) a reference in clause 8 to a period of interest were a reference, in respect of the amount mentioned in item 124 of Schedule 1, to the period:
 - (i) beginning on the operative time mentioned in item 210 of Schedule 1; and
 - (ii) ending on the termination day.

22 Ascertaining benefits payable to member spouse or non-member spouse — benefits subject to previous split

- (1) This clause applies if:
 - (a) the benefits of a member spouse or a non-member spouse have previously been the subject of a payment split; and
 - (b) a later payment split applies in relation to those benefits.

- (2) This Determination (including the definitions in clause 4) applies in relation to:
- (a) the later split; and
 - (b) those benefits as adjusted under the previous payment split; and
 - (c) any benefits payable to a later non-member spouse.

23 CSC may apply provisions with modifications

For this Part, CSC may apply any provision of this Determination to a member spouse's benefits or a non-member spouse's benefits with any modifications CSC considers necessary.

Part 4 Investment switches

24 Default Fund and Cash Option — amounts involved in switches

Parts 2 and 3 apply to amounts involved in switches from the Default Fund to the Cash Option, or from the Cash Option to the Default Fund, as if:

- (a) each reference to a person who has ceased to be an eligible employee included:
 - (i) an eligible employee; or
 - (ii) a former eligible employee; or
 - (iii) a non-member spouse;

who has nominated to switch from the Default Fund to the Cash Option, or from the Cash Option to the Default Fund; and
- (b) each reference to clause 8 included a reference to clause 26;
- (c) each reference to the termination day included a reference to the day before the relevant switch day; and
- (d) subject to clause 24A, interest is calculated for the Default Fund investment period or the Cash Option investment period in accordance with the method in clause 9.

Note: If a person switches investment funds more than once, this clause will apply, on its terms, in relation to each switch between the Cash Option and the Default Fund.

24A Entry rate and exit rate for switched amounts

- (1) Where an amount is switched from the Default Fund to the Cash Option, or from the Cash Option to the Default Fund, for the purposes of applying the formula in paragraph 9(1)(b), despite subclauses 9(2) and 9(3):
 - (a) for the termination day for the Default Fund investment period or Cash Fund investment period, as the case requires, the rate that applies for the value 'E' in the formula in paragraph 9(1)(b) is the exit rate for the period; and
 - (b) for the first day of interest for the Default Fund investment period or Cash Fund investment period, as the case requires, the rate that applies for the value 'S' in the formula in paragraph 9(1)(b) is the entry rate for the period.
- (2) For subclause (1), the *exit rate* on the day before a relevant switch day is:
 - (a) the rate determined by CSC for the day before the relevant switch day; or
 - (b) if no rate is determined by CSC for that day:
 - (i) the most recent preceding rate determined by CSC within that month; or
 - (ii) if there is no earlier rate determined within the same month: zero.
- (3) For subclause (1), the *entry rate* on a relevant switch day is:
 - (a) the rate determined by CSC for the day before the switch day; or
 - (b) if no rate is determined by CSC for that day:

- (i) the most recent preceding rate determined by CSC within that month; or
- (ii) if there is no earlier rate determined within the same month: zero.

25 Amounts taken to be in Default Fund or Cash Option

- (1) Subject to subclause (2), if a person has not made a nomination under clause 27 in relation to a prescribed amount, the prescribed amount is taken to be in the Default Fund.
- (2) If an additional amount mentioned in Schedule 1 is received in relation to the person while other prescribed amounts of the person are in the Cash Option, that amount is also taken to be in the Cash Option.
- (3) If an amount is a prescribed amount in relation to a non-member spouse following a payment split, that amount is taken to be in the Default Fund until a nomination given to CSC by the non-member spouse under clause 27 takes effect.

26 Calculation of interest — Cash Option

- (1) Subject to subclause (2), interest in respect of a prescribed amount is taken to have accrued, during each Cash Option investment period in relation to that amount, at the daily compound rate or rates of interest calculated in accordance with the method mentioned in clause 9 using the entry rate and exit rate for that period, as set out in clause 24A.

Note: The total interest worked out for a period of interest under subclause (1) may be less than zero.

- (2) If, in relation to a Cash Option investment period, applying the rate worked out under subclause (1) to a person's prescribed amounts would result in the total of:
 - (a) the person's switch amount; and
 - (b) any prescribed amounts received in relation to the person during that Cash Option investment period; and
 - (c) any amount mentioned in item 114 of Schedule 1 received in relation to the person before that Cash Option investment period, and any interest accrued on such an amount before, or during, that Cash Option investment period;
 being less than the person's minimum amount on exit, the total of those amounts is adjusted to the minimum amount on exit.
- (3) If the application of the rate or rates worked out under subclause (2) would result in the total of the person's prescribed amounts and interest being less than the person's minimum amount on exit, the total is adjusted to the minimum amount on exit.

27 Switching between Default Fund and Cash Option

- (1) Subject to subclauses (3), (4) and (6), if the prescribed amounts in relation to a person to whom this clause applies are in the Default Fund, the person may nominate to switch to the Cash Option in relation to the person's switch amount.
- (2) Subject to subclauses (3), (4) and (6), if the prescribed amounts in relation to a person to whom this clause applies are in the Cash Option, the person may nominate to switch to the Default Fund in relation to the person's switch amount.
- (3) If a person has already switched between the Default Fund and Cash Option twice in a calendar year, the person may not make another nomination under subclause (1) or (2) in that calendar year.
- (4) Subject to subclause (5), a nomination by a person under subclause (1) or (2) must apply to the full switch amount of the person.
- (5) If, because of the operation of section 6A of the Act, the Act has a separate operation in respect of a person in relation to 2 or more employments of the person, a nomination by the person under subclause (1) or (2) may apply to the switch amount of the person in relation to any 1 of those employments.
- (6) If the amount that would, but for this subclause, be the person's switch amount is less than \$1 000, the person may not switch to the Cash Option in relation to that amount.
- (7) A nomination must be made in writing, in a form approved by CSC, and provided to CSC in the manner approved by CSC.
Note: CSC publishes details of the approved form and the permissible means by which that form can be submitted (eg by post, facsimile, or electronic form) on its website from time to time, or on the relevant investment switch form approved by CSC.
- (8) If a nomination is not in the approved form, or not provided to CSC in the method mentioned in subclause (7), it is taken not to have been received by CSC.
- (9) This clause applies to a person who is:
 - (a) an eligible employee; or
 - (b) a former eligible employee; or
 - (c) a non-member spouse who becomes entitled to associate deferred benefits under a payment split.

28 When does switch take effect

- (1) Subject to subclause (2) and clause 29, a nomination that is received on or before the last Friday in a month takes effect on the first Wednesday after that Friday.
Note: A nomination that is received after the last Friday in a month is treated as having been received before the last Friday in the following month.
- (2) If, in a particular case:

- (a) a nomination is made by a person in accordance with clause 27; and
 - (b) due to circumstances outside the control of the person, CSC does not take appropriate action to give effect to the switch within a reasonable time; and
 - (c) CSC, or a person authorised by CSC for the purposes of this subclause, is of the opinion that giving effect to a person's switch nomination in accordance with subclause (1) would give rise to an unfair or unreasonable outcome,
- the nomination may be treated as not having been made.

29 Withdrawal of nomination

- (1) A nomination made under clause 27 may be withdrawn, by writing, in a form approved by CSC; and provided to CSC in the manner approved by CSC.

Note: CSC publishes details of the approved form and the permissible means by which that form can be submitted (eg by post, facsimile, or electronic form) on its website from time to time, or on the relevant investment switch form approved by CSC. CSC may provide that withdrawals cannot be provided electronically.

- (2) The withdrawal must be received:
- (a) no later than the last Friday of the month in which the nomination was received; or
 - (b) if the nomination was received after the last Friday in a month, no later than the last Friday in the following month.

30 Interest on superannuation guarantee contributions and unfunded productivity amounts

Interest on amounts mentioned in item 114, 116, 117, 118 or 119 of Schedule 1 in relation to a person who switches between the Default Fund and the Cash Option, is calculated:

- (a) under clause 8 for each Default Fund investment period; and
 - (b) under clause 26 for each Cash Option investment period;
- as if that amount were part of the person's switch amount.

31 Suspension of Cash Option

- (1) CSC may, by notice in writing published in the *Gazette*, suspend the Cash Option if:
- (a) the Default Fund has a negative reserve position; or
 - (b) more than 25% of the members switch to the Cash Option; or
 - (c) an event has a material impact on the Default Fund or the Cash Option.
- (2) If CSC suspends the Cash Option, CSC must determine rules for the treatment, during the suspension, of nominations received under clause 28 and amounts already in the Cash Option.
- (3) Rules determined under subclause (2) must:
- (a) not disadvantage any member; and

- (b) be set out in the notice under subclause (1).
- (4) CSC may, by notice in writing published in the *Gazette*, lift a suspension of the Cash Option.

Part 5 Miscellaneous

32 Amount to be refunded under section 156A of the Act — calculation of interest

- (1) This clause applies for the purpose of ascertaining the amount to be refunded to a person pursuant to section 156A of the Act.
- (2) Interest is payable in respect of the prescribed amount mentioned in item 120 of Schedule 1 in accordance with clause 8 as if:
 - (a) a reference in clause 8 to a person who has ceased to be an eligible employee were a reference to a person in respect of whom CSC has become aware is not an eligible employee; and
 - (b) subclause 8 (4) were omitted and the following subclause inserted:
 - ‘(4) In this clause, *period of interest*, in respect of a prescribed amount, means the period commencing:
 - (a) if the amount was deducted from the person's salary on a contribution day or was otherwise paid to CSC on a contribution day — on that day; or
 - (b) in any other case — on the next contribution day following the day on which the amount was paid to CSC;

and ending on the day before the day on which CSC has completed action required to effect a refund of the amount to the person.’.

Schedule 1 Meaning of prescribed amount and first day of interest

(clause 4)

Part 1 Meaning of prescribed amount

prescribed amount, in relation to a person who has ceased to be an eligible employee, means an amount mentioned in an item of the table.

Note 1 Any examples and notes relating to an amount are included in the item in which the amount is mentioned.

Note 2 Prescribed amounts are amounts in respect of which CSC may determine interest under the Act. Not all amounts payable under the Act are prescribed amounts under this determination. For example, amounts of pension payments which become payable under the Act are not prescribed amounts in the below table and interest does not accrue in respect of any pension arrears applicable to a person. Pension payments are paid by the Commonwealth, from the Consolidated Revenue Fund, and not the Fund.

Item	amount ...	Examples and notes ...
101	a basic or supplementary contribution paid by the person to CSC on or after his or her first day of service	<i>Example Basic or supplementary contributions</i>
102	an amount deemed by virtue of paragraph 128 (2) (a) of the Act to be basic contributions paid by the person to CSC under the Act on or after his or her first day of service	<i>Example Employee component of a transfer value</i>
103	an amount deemed by subsection 129 (2) of the Act to be an amount of supplementary contributions paid by the person to CSC under the Act on or after his or her first day of service	<i>Example Certain lump sums not included in transfer value that are treated as supplementary contributions</i>
104	an amount deemed by subsection 177 (9), (10) or (11) of the Act to be an amount of basic contributions or supplementary contributions, as the case may be, paid by the person under the Act on the commencing day	<i>Example An amount with respect to a person who had been an existing contributor under the Superannuation Act 1922 that is deemed to be an amount of basic and supplementary contributions for the purposes of the Act (with or without an election)</i>

Item	amount ...	Examples and notes ...
105	an additional contribution paid by the person to CSC on or after his or her first day of service under subsection 186 (9) of the Act	<i>Example</i> An additional contribution from an existing contributor who has transferred into the Scheme from the Superannuation Act 1922
106	an amount paid to the Fund under subsection 112 (5) of the Act in respect of a person mentioned in subsection 7A (1) of the Act, upon the person again becoming an eligible employee as mentioned in paragraph 7A (1) (b) of the Act	<i>Example</i> Re-entry to Scheme: invalidity pensioner once again becomes an 'eligible employee' - an amount required to be paid out of the consolidated revenue fund back into the Fund
107	the accumulated basic contributions of a person mentioned in subsection 7A (2) of the Act, upon the person ceasing to be an eligible employee as mentioned in paragraph 7A (2) (a) of the Act	<i>Example</i> Re-entry to the Scheme: a person with a deferred benefit who again becomes an eligible employee and then ceases to be an eligible employee and exits again — accumulated basic contributions upon previously ceasing to be an eligible employee
108	the accumulated supplementary contributions of a person mentioned in subsection 7A (2) of the Act upon the person ceasing to be an eligible employee as mentioned in paragraph 7A (2) (a) of the Act	<i>Example</i> Re-entry to the Scheme: a person with a deferred benefit who again becomes an eligible employee and then ceases to be an eligible employee and exits again — accumulated supplementary contributions upon previously ceasing to be an eligible employee
109	an amount paid to the Fund under subsection 112 (9) of the Act in respect of a person mentioned in subsection 7A (3) of the Act, upon his or her entitlement to deferred benefits being cancelled under subsection 76 (1) of the Act as mentioned in subsection 7A (3) of the Act	<i>Example</i> Re-entry to the Scheme: a deferred invalidity pension is cancelled upon the recipient again becoming an eligible employee — an amount paid to the Fund at that time
110	an amount paid, or last paid, to the Fund under subsection 112 (9) of the Act in respect of a person mentioned in subsection 7A (4) of the Act, upon his or her entitlement to deferred benefits being cancelled under subsection 143 (2) of the Act as mentioned in subsection 7A (4) of the Act	<i>Example</i> Re-entry to the Scheme: a deferred invalidity pension is cancelled where the pensioner's health is restored — an amount paid to the Fund at that time
111	an amount paid to CSC: <ul style="list-style-type: none"> <li data-bbox="320 1134 1178 1157">(a) by an eligible employee to whom section 14A of the Act applies; and <li data-bbox="320 1176 1178 1295">(b) under section 124C of the Act as modified in its application to that employee by the <i>Superannuation (CSS) Continuing Contributions for Benefits Regulations 1981</i> and the <i>Superannuation (CSS) (Eligible Employees— Exclusion) Declaration 2003</i> 	<i>Example</i> Deemed leave of absence without pay — amount paid to Board by eligible employee

Item	amount ...	Examples and notes ...
112	an amount deemed to be paid to the Fund under subsection 112 (5) of the Act in respect of a person to whom subsection 7A (1) of the Act as modified by the Superannuation (CSS) Existing Invalidation Pensioners Regulations applies, upon the person becoming an eligible employee	<i>Example</i> A person in receipt of an invalidity pension under the Superannuation Act 1922 who once again becomes an eligible employee — an amount paid deemed to be paid into the Fund at that time
113	a productivity contribution within the meaning of paragraph 110Q (1) (a) of the Act	<i>Example</i> A productivity contribution less income tax
114	an amount mentioned in paragraph 110Q (1) (c) of the Act	<i>Example</i> Notional Interim Benefit— this is defined under section 110A of the Act to have the same meaning as in section 8A of the Superannuation (Productivity Benefit) Act 1988— ie that amount as at 1 July 1990
115	an amount mentioned in paragraph 110Q (1) (e) of the Act	<i>Example</i> Certain amounts that are paid under section 110K, 110L, 110M or 110MA of the Act
116	an amount mentioned in paragraph (a) of the definition of accumulated government body contributions in subsection 62A (1) of the Act	<i>Example</i> The total amount of the productivity contributions applicable to a person in relation to a person's relevant period of employment
117	an amount mentioned in paragraph (a) of the definition of notional accumulated SG contributions in subsection 62A (1) of the Act	<i>Example</i> A person's SG minimum contributions in relation to the person's relevant period of employment, as reduced by an amount specified in, or worked out in accordance with, a determination made by an actuary
118	an amount mentioned in paragraph (a) of the definition of accumulated government body contributions in subsection 110SB (1) of the Act	<i>Example</i> The total amount of the productivity contributions applicable to a person in relation to a person's relevant period of employment
119	an amount mentioned in paragraph (a) of the definition of notional accumulated SG contributions in subsection 110SB (1) of the Act	<i>Example</i> A person's SG minimum contributions in relation to the person's relevant period of employment, as reduced by an amount specified in, or worked out in accordance with, a determination made by an actuary
120	an amount mentioned in paragraph 156A (a) of the Act	<i>Example</i> An amount wrongly paid into the Fund by or on behalf of, a person who at the time was not an eligible employee

Item	amount ...	Examples and notes ...
121	the amount mentioned in paragraph 110SN (a) of the Act	<p><i>Example</i> A payment into the Fund of an amount held in other superannuation funds — performance pay employee and employer contributions — ie an amount equal to the difference between:</p> <ul style="list-style-type: none"> (a) the total amount that was paid into the Fund in respect of a person under section 110SL of the Act; and (b) the sum of any amounts in the nature of income tax relevant to that amount
122	the amount mentioned in paragraph 130D (1) (a) of the Act	<p><i>Example</i> A transferred amount within the meaning of section 130A of the Act less income tax — ie (a) an amount equal to the difference between:</p> <ul style="list-style-type: none"> (a) the total amount that was paid into the Fund in respect of the person under section 130B of the Act; and (b) the sum of any amounts in the nature of income tax relevant to that amount
123	for a non-member spouse in respect of whom associate deferred benefits apply as the result of a payment split — each of the amounts that are added together to create the funded component of the transfer amount in relation to the associate deferred benefits	<p><i>Example</i> Family law split — the transfer amount applicable to the non-member spouse at the operative time</p> <p><i>Note</i> Item 123 establishes the starting amount of the funded component of the transfer amount for a non-member spouse following a payment split applicable to a member spouse’s original interest (item 123) or to a non-member spouse’s associate deferred benefits (item 124)</p>
124	for a later non-member spouse in respect of whom associate deferred benefits apply as a result of a payment split applying to the associate deferred benefits of another non-member spouse — each of the amounts that are added together to create the funded component of the transfer amount in relation to the later associate deferred benefits	<p><i>Example</i> Further family law split applicable to a non-member spouse —the transfer amount applicable to the later non-member spouse at the later operative time</p> <p><i>Note</i> Item 124 establishes the starting amount of the funded component of the transfer amount for a non-member spouse following a payment split applicable to a member spouse’s original interest (item 123) or to a non-member spouse’s associate deferred benefits (item 124)</p>

Item	amount ...	<i>Examples and notes ...</i>
125	for a member spouse whose original interest is subject to a payment split — the amount calculated under subclause 17 (2) at the operative time for the payment split	<i>Example Family Law — member spouse’s funded entitlement at operative time</i>
126	for a non-member spouse whose associate deferred benefits are subject to a payment split — the amount calculated under subclause 17 (5) at the operative time for the payment split	<p><i>Example Further family law split applicable to a non-member spouse — non-member spouse’s transfer amount at later operative time.</i></p> <p><i>Note Section 146ME of the Act provides that the original interest of a member spouse that is the subject of a payment split is not reduced until the original interest becomes payable as a benefit. Section 146MF of the Act operates in a similar way for a non-member spouse’s associate deferred benefits.</i></p> <p><i>In spite of sections 146ME and 146MF of the Act, items 125 and 126 establish the amount of the funded component of the member spouse’s original interest, or the non-member spouse’s associate deferred benefits, as if they had been reduced at the operative time for a payment split, and then deem those amounts to be prescribed amounts</i></p>
127	if the person has switched from the Default Fund to the Cash Option — the person’s prescribed amounts and interest on the switch day	
128	if the person has switched from the Cash Option to the Default Fund — the person’s prescribed amounts and interest on the switch day	
129	an amount mentioned in paragraph (a) of the definition of early release deduction amount in subsection 79A(1) of the Act	<i>Example: The amount of each early release lump sum applicable to a person in relation to the person’s relevant period of employment</i>

Part 2 Meaning of *first day of interest*

first day of interest, in relation to a prescribed amount mentioned in an item in the table, means the day mentioned in the item.

Item	for a prescribed amount ...	the first day of interest is ...
201	a prescribed amount mentioned in item 101, 102 103 or 105 of this Schedule that is deducted from the salary of the person mentioned in whichever of those items is applicable	if the day on which the amount was so deducted was a contribution day — that day; or if that day was not a contribution day — the contribution day next following that day
202	a prescribed amount mentioned in item 101, 102 103 or 105 of this Schedule that is not deducted from the salary of the person mentioned in whichever of those items is applicable	if the day on which the amount was paid to CSC was a contribution day — that day; if that day was not a contribution day — the contribution day next following that day
203	a prescribed amount mentioned in item 104 of this Schedule	the commencing day
204	a prescribed amount mentioned in item 107 or 108 of this Schedule	the day next following the day that was the last day of service of the person mentioned in whichever of those paragraphs is applicable upon that person ceasing to be an eligible employee as mentioned in paragraph 7A (2) (a) of the Act
205	a prescribed amount mentioned in item 106, 109, 110 or 112 of this Schedule	if the day on which the prescribed amount was paid to the Fund was a contribution day — that day; or if that day was not a contribution day — the contribution day next following that day
206	a prescribed amount mentioned in item 111 of this Schedule	if the day on which the amount was paid to CSC was a contribution day — that day; or if that day was not a contribution day — the contribution day next following that day
207	a prescribed amount mentioned in item 113 of this Schedule	the contribution day on which the amount was payable to CSC

Item	for a prescribed amount ...	the first day of interest is ...
208	a prescribed amount mentioned in item 114 of this Schedule	1 July 1990
209	a prescribed amount mentioned in item 115, 121 or 122 of this Schedule	the day that amount is paid or transferred to CSC by or on behalf of that person
210	a prescribed amount mentioned in item 123, 124, 125 or 126 of this Schedule	the operative time for the relevant payment split <i>Note</i> If there is a later payment split, there will be a new operative time, for this item, for the later payment split.
211	a prescribed amount mentioned in item 127 or 128 of this Schedule	the switch day mentioned in that paragraph
212	a prescribed amount mentioned in item 129 of this Schedule	the day the early release lump sum is paid

Note The **first day of interest** for items 116, 117, 118, 119 and 120 of this Schedule may be ascertained as follows:

- (a) items 116 and 117: see clause 12;
- (b) item 118 and 119: see clause 13;
- (c) item 120: see clause 32.

Schedule 2 Situations in which money outside the Fund does not accrue interest

(clause 9)

For subclause 9(7), the following are examples of periods during which a specified prescribed amount will not accrue interest.

Item	Prescribed amount	Period during which interest rate is zero	Example
1	An amount mentioned in item 107 or 108 of Part 1 of Schedule 1	The period between the day the person's benefit upon first ceasing to be an eligible employee was determined and the day the amount mentioned in subsection 140(2) of the Act is repaid to the Fund	<i>A person resigns and receives a refund of their contributions under section 80 of the Act. CSC subsequently accepts a late election to preserve their benefit under sections 137 and 157 of the Act, and the person repays their benefit under subsection 140(2)</i>
2	A prescribed amount applicable to a person who has become retrospectively entitled to an invalidity benefit pursuant to a decision of CSC under subsection 7(2) of the Act	The period between the day the person's benefit upon ceasing to be an eligible employee was determined and the day the person's invalidity benefit following the subsection 7(2) decision was determined	<i>A person resigns and their benefit is calculated but CSC subsequently decides under subsection 7(2) that they be deemed to have retired on invalidity grounds, and their benefit is recalculated on that basis</i>
3	A prescribed amount applicable to a person who has been paid a benefit but whose benefit election is then cancelled under subsection 157(3) of the Act	The period between the day the person's benefit upon ceasing to be an eligible employee was first determined and the day on which the person's benefit is subsequently determined following the cancellation of election	<i>A person elects to take their benefit as a lump sum but cancels that election under subsection 157(3) and takes their benefit as a pension instead, and their benefit is recalculated on that basis</i>
4	A prescribed amount applicable to a person who has been paid a benefit but who makes a later election to alter the nature of that benefit	The period between the day the person's benefit upon ceasing to be an eligible employee was first determined and the day on which the person's benefit is subsequently determined following the election to alter the nature of that benefit	<i>A person becomes entitled to additional age or early retirement pension. CSC subsequently accepts a late election to commute that pension under sections 64 and 157 of the Act, and is then required to determine the person's commuted lump sum</i>