Australian Government
Commonwealth Superannuation Corporation

AG04/21

Super Administration Guide

Total remuneration packages

This guide is designed to help you correctly determine and report salaries for employees who are paid a total remuneration package (TRP) and are contributing members of CSS, PSS or PSSap.

It covers:

- What is a TRP?
- TRPs for PSSap members
- TRPs for CSS and PSS members
- Salary reviews for employees receiving a TRP

Who does this guide apply to?

These rules apply to regular employees of eligible Australian Government employers who are contributing members of CSS, PSS or PSSap and are paid a TRP.

Before you start calculating, check your enterprise agreement or similar, any individual agreements with employees and any remuneration tribunal decisions that refer to super salary. There may be situations where you'll need to use a different calculation method for your employees.

Commonwealth Superannuation Corporation (CSC) ABN: 48 882 817 243, AFSL: 238069, RSEL: L0001397

Defence Force Retirement and Death Benefits Scheme ABN: 39 798 362 763

Australian Defence Force Superannuation ABN: 90 302 247 344 RSE: R1077063

Commonwealth Superannuation Scheme ABN: 19 415 776 361 RSE: R1004649

Public Sector Superannuation accumulation plan ABN: 65 127 917 725 RSE: R1004601

Military Superannuation and Benefits Scheme ABN: 50 925 523 120 RSE: R1000306

Australian Defence Force Cover ABN: 64 250 674 722

Public Sector Superannuation Scheme ABN: 74 172 177 893 RSE: R1004595

1922 Scheme
DFRB Scheme
PNG Scheme
DFSPB
CSC retirement income

What is a TRP?

A total remuneration package (TRP) is a salary arrangement where your employee receives a salary package that includes the employee's salary and the cost of all other benefits, including super. This is different from salary arrangements where an employee is offered a base salary plus super.

Examples: James is a PSSap member who's offered a TRP of $100,000. As this amount includes superannuation payments, James' salary will be reduced to account for his 15.4% PSSap contribution.

Beth is a PSSap member who's offered a base salary of $100,000, plus super. Her 15.4% PSSap contribution won't be deducted from her salary when she's paid, but will be paid in addition to it.

Payment of a TRP may be specified in an enterprise agreement, an individual financial agreement or similar, or may be required by a remuneration tribunal determination.

If your employee is receiving a TRP, you can calculate their super salary by deducting the cost of any benefits, including super payments, from the total value of the package (the total remuneration). Super payments are generally percentages of super salaries, which means you need to follow special calculation methods to calculate super salaries and contribution amounts for these employees.

PSSap Members

PSSap employer contributions are a percentage of fortnightly contribution salary (FCS) or fortnightly ordinary time earnings (OTE). To determine FCS or OTE for TRP employees you'll need to use the following formula:

$$Super\ salary = \frac{Total\ remuneration}{1.154}$$

Example: Jessica is a PSSap member who's paid a TRP of $100,000. This equates to a total remuneration of $3,846.15 per fortnight.

Jessica's super salary is calculated using the formula above. Her PSSap contribution will be 15.4% of her super salary, and her gross pay after super will be her total remuneration minus her contribution amount.

$$Super\ Salary = \frac{Total\ Remuneration}{1.154}$$

$$= \frac{\$100{,}000}{1.154}$$

$$= \$86{,}655.11$$

Total remuneration	Super salary	PSSap contribution	Gross pay after Super
$3,846.15	$3,332.89	$513.26	$3,332.89

CSS and PSS members

Super salaries in CSS and PSS are calculated accounting for EPSC contributions[1] and defined benefit employer contributions[2]. This calculation is more complicated because the amounts of EPSC and employer contributions themselves depend on super salary.

Calculating super salaries

The formula you need to use to calculate super salaries for CSS and PSS members depends on whether EPSC is payable as a dollar amount or a percentage of super salary.

In CSS and PSS super salaries are divided into four bands. All employees in the lowest band are paid a dollar amount EPSC contribution, employees in the next band receive 3% of their fortnightly super salary, employees in the next band receive a dollar amount, and employees in the highest band receive 2% of their super salary.

For example, the EPSC rates in 2020 were:

Fortnightly super salary	Fortnightly EPSC
Less than $2,408.00	$72.24
$2,408.00 or more but less than $3,879.33	3% of fortnightly super salary
$3,879.33 or more but less than $5,819.00	$116.38
$5,819.00 or more	2% of fortnightly super salary

There are different formulae to calculate super salary for CSS and PSS depending on whether your employee is in a dollar amount or percentage EPSC band.

[1] EPSC: Employer Productivity Superannuation Contributions. A pre-tax super contribution for employees in CSS and PSS.
[2] Employer contributions: A payment into the Official Public Account, made for each employee in CSS and PSS. Also known as 'Employer Liability'.

You can find specific EPSC tables for TRP employees on the CSC website. These tables show the type and rate of EPSC based on annual total remuneration rather than fortnightly super salary.

For employees with a fixed dollar amount of EPSC, the formula is:

$$Super\ salary = \frac{Total\ remuneration - EPSC\ \times 26}{(1 + employer\ contribution\ rate)}$$

Where the employer contribution rate is expressed as a decimal.

For employees with a percentage EPSC rate, the formula is:

$$Super\ salary = \frac{Total\ remuneration}{(1 + employer\ contribution\ rate + EPSC\ Rate)}$$

Where both EPSC and employer contribution rates are expressed as decimals.

Example: Natalie is a deferred CSS member. On 1 September 2019 she accepts a position with a total remuneration of $100,000.

The CSS EPSC table for TRP shows her EPSC is a percentage EPSC band with a rate of 3%:

Annual TRP amount	EPSC Type	Rate
$74,628.74 – $120,228.19	Percentage	3%

In 2019/20 Natalie's defined benefit employer contribution rate is 16.2%.

As Natalie has a percentage EPSC rate her super salary is calculated as follows:

$$Super\ salary = \frac{Total\ remuneration}{(1{+}employer\ liability\ rate{+}EPSC\ rate\ )}$$

$$= \frac{\$100{,}000}{1 + 0.162 + 0.03}$$

$$= \$83{,}892.62$$

This equates to a fortnightly super salary of $3,226.64.

Natalie's EPSC contribution would be 3% of her fortnightly super salary, and her employer contribution payment will be 16.2% of her fortnightly super salary. Natalie's gross pay after super will be her total remuneration less her EPSC contribution and the employer contribution payment amount:

Total remuneration	Super salary	employer contribution	EPSC payment	Gross pay after super
$3,846.15	$3,226.64	$522.72	$96.80	$3,226.63

Example: John is a PSS member. On 20 November 2019 he is offered a position with a total remuneration of $70,000.

The PSS EPSC table for TRP shows that he has a fixed dollar amount of EPSC worth $72.24:

Annual TRP amount	EPSC Type	Rate
Less than $75,004.38	Dollar amount	$72.24

John's TRP equates to a fortnightly total remuneration of $2,692.31, and in 2019/20 the applicable employer contribution rate is 16.8%.

As John has a fixed dollar amount of EPSC his super salary is calculated as follows:

$$Super\ salary = \frac{Total\ remuneration - EPSC\ \times 26}{(1 + employer\ contribution\ rate)}$$

$$= \frac{\$70{,}000 - \$72.24\ \times 26}{1.168}$$

$$= \$58{,}323.42$$

This equates to a fortnightly super salary of $2,243.21.

John's EPSC contribution will be $72.24 per fortnight, and his employer contribution payment will be 16.8% of his fortnightly super salary.

John's gross pay after super will be his total remuneration less his EPSC contribution and the employer contribution amount:

Total remuneration	Super salary	Employer contribution	EPSC payment	Gross pay after super
$2,692.31	$2,243.21	$376.86	$72.24	$2,243.21

Salary reviews

You don't need to complete salary reviews for PSSap OTE members

Just like any other employee, TRP employees who are CSS, PSS or PSSap (FCS) members need a salary review each year, and have salary maintenance applied whenever there is a salary reduction.

TRP employees may have more frequent salary reduction points than other employees because the rates of EPSC and employer contributions may change each year on 1 July. These changes will alter the amount you pay your employee after super, potentially causing a salary reduction and salary maintenance to apply at the next birthday review[3].

Example: Lisa is a PSS member. Her birthday is 21 May. She gets a new job on 1 January 2016 with a TRP of $200,000. This is a new period of membership and continuous service doesn't apply.

When she starts her new job, the employer liability rate is 16.8%. The PSS EPSC table shows her EPSC is a percentage rate of 2%.

Annual TRP amount	EPSC Type	Rate
Greater than $165,343.62	Percentage	2%

As Lisa has a percentage EPSC rate her super salary is worked out using the formula:

$$Super\ salary = \frac{Total\ remuneration}{(1 + employer\ contribution\ rate + EPSC\ Rate)}$$

$$= \frac{\$200{,}000}{1.188}$$

$$= \$168{,}350.17$$

[3] You can find more information about salary reviews and salary maintenance in the ***Salary Administration Guide*** on our website.

At commencement, Lisa's employer contribution will be 16.8% of her super salary, and her EPSC rate will be 2% of her super salary:

Date from	Date to	Total remuneration	Super salary	Annual employer contribution	Annual EPSC payment	Gross pay after super
01/01/2016	20/05/2016	$200,000	$168,350.17	$28,282.83	$3,367.00	$168,350.17

At Lisa's 2016 birthday, her payroll team completes a birthday review. As her total remuneration, employer contribution and EPSC contribution haven't changed since she started, her super salary and pay after super don't change.

Date from	Date to	Total remuneration	Super salary	Annual employer contribution	Annual EPSC payment	Gross pay after super
01/01/2016	20/05/2016	$200,000.00	$168,350.17	$28,282.83	$3,367.00	$168,350.17
21/05/2016	30/06/2016	$200,000.00	$168,350.17	$28,282.83	$3,367.00	$168,350.17
01/07/2016	31/12/2016	$200,000.00	$168,350.17	$28,282.83	$3,367.00	$168,350.17

2016/17 financial year

New employer contribution and EPSC rates are published on 1 July 2016 for the 2016/17 financial year. Neither rate changed for Lisa, so there's no change to her pay after super.

On 1 January 2017, Lisa's TRP is increased by $50,000 to $250,000. There's no change to the amount of employer contribution and EPSC being paid[4], which means her take home pay is increased by the full $50,000.

Date from	Date to	Total remuneration	Super salary	Annual employer contribution	Annual EPSC payment	Gross pay after super
01/07/2016	31/12/2016	$200,000.00	$168,350.17	$28,282.83	$3,367.00	$168,350.17
01/01/2017	20/05/2017	$250,000.00	$168,350.17	$28,282.83	$3,367.00	$218,350.17

[4] EPSC and employer contribution payments don't change at this point as they are a percentage of super salary, which only changes on a birthday.

At her 2017 birthday, Lisa’s payroll team completes another birthday review. She is still in the range for a percentage EPSC rate, so the same formula is used:

$$Super\ salary = \frac{Total\ remuneration}{(1 + employer\ contribution\ rate + EPSC\ Rate)}$$

$$= \frac{\$250{,}000}{(1 + 0.188)}$$

$$= \$210{,}437.71$$

Due to the increase in Lisa’s super salary, employer liability and EPSC payments also increase, this causes a decrease in her pay after super.

This reduction in pay after super means salary maintenance rules apply. Lisa’s maintained salary will be $218,350.18, which is the amount of her take home pay immediately prior to the salary reduction. As the maintained salary is higher than the actual salary, the maintained salary will become her super salary at her birthday.

Date from	Date to	Total remuneration	Super salary	Annual employer contribution	Annual EPSC payment	Gross pay after super
01/07/2016	31/12/2016	$200,000.00	$168,350.17	$28,282.83	$3,367.00	$168,350.17
01/01/2017	20/05/2017	$250,000.00	$168,350.17	$28,282.83	$3,367.00	$218,350.17
21/05/2017	-	$250,000.00	$218,350.17	$36,682.83	$4,366.96	$208,950.21

2017/18 financial year

While new employer contribution and EPSC rates were published on 1 July 2017, neither changed so Lisa’s pay after super doesn’t change.

Date from	Date to	Total remuneration	Super Salary	Employer contribution	Annual EPSC	Pay after super
21/05/2017	30/06/2017	$250,000.00	$218,350.18	$36,682.83	$4,366.96	$208,950.21
01/07/2017	-	$250,000.00	$218,350.18	$36,682.83	$4,366.96	$208,950.21

For her 2018 birthday review, Lisa’s payroll team need to increase the maintained salary that has applied from her last birthday review with the latest AWOTE[5]. Her new maintained salary is $223,372.

[5] You can find more information about salary maintenance and AWOTE in the ***Salary Administration Guide*** on our website.

This is compared against the salary she would receive if salary maintenance didn't apply. At her 2018 birthday, Lisa's payroll team completes another salary calculation using the formula. Lisa's total remuneration, employer contribution rate and EPSC rates haven't changed since her last birthday, so her actual salary would have remained at $210,437.71.

Since the maintained salary is greater than her actual salary, her super salary is increased to $223,372.This increase in super salary will also increase employer contribution and EPSC payments, which will decrease her gross pay after super.

Date from	Date to	Total remuneration	Super salary	Annual employer contribution	Annual EPSC payment	Gross pay after super
01/01/2017	20/05/2017	$250,000.00	$168,350.17	$28,282.83	$3,367.00	$218,350.17
21/05/2017	30/06/2017	$250,000.00	$218,350.17	$36,682.83	$4,366.96	$208,950.21
01/07/2017	20/05/2018	$250,000.00	$218,350.17	$36,682.83	$4,366.96	$208,950.21
21/05/2018	-	$250,000.00	$223,372.00	$37,526.50	$4,467.32	$208,006.18

2018/19 financial year

The 2018/19 financial year employer liability and EPSC rates are published on 1 July 2018. The rates remained the same so Lisa's pay after super was unchanged.

Date from	Date to	Total remuneration	Super Salary	Annual employer contribution	Annual EPSC payment	Gross pay after super
21/05/2018	30/06/2018	$250,000.00	$223,372.00	$37,526.50	$4,467.32	$208,006.18
01/07/2018	-	$250,000.00	$223,372.00	$37,526.50	$4,467.32	$208,006.18

For her 2019 salary review, Lisa's payroll team need to again increase her maintained salary (that has applied since her 2017 salary review) with the latest AWOTE. This gives a new maintained salary of $228,613.

Lisa's payroll team compares this salary to the salary she would receive if salary maintenance didn't apply. As Lisa's total remuneration, employer liability and EPSC rates haven't changed, her actual salary would have been $210,437.71, calculated based on the initial formula.

Since this is less than the maintained salary, the maintained salary of $228,613 should be applied for her 2019 birthday.

Date from	Date to	Total remuneration	Super salary	Annual employer contribution	Annual EPSC payment	Gross pay after super
01/01/2017	20/05/2017	$250,000.00	$168,350.17	$28,282.83	$3,367.00	$218,350.17
21/05/2017	30/06/2017	$250,000.00	$218,350.17	$36,682.83	$4,366.96	$208,950.21
01/07/2017	20/05/2018	$250,000.00	$218,350.17	$36,682.83	$4,366.96	$208,950.21
21/05/2018	30/06/2018	$250,000.00	$223,372.00	$37,526.50	$4,467.32	$208,006.18
01/07/2018	20/05/2019	$250,000.00	$223,372.00	$37,526.50	$4,467.32	$208,006.18
21/05/2019	-	$250,000.00	$228,613.00	$38,406.98	$4,572.36	$207,020.66

Any questions?

Our Employer Service Desk is always happy to help answer any questions.
Call **1300 338 240** or email **employer.service@csc.gov.au** to get in touch.

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We offer super training for participating employers at no additional cost. For more information, check out our **website** or email **employer.training@csc.gov.au**

If your employees have any questions about their super, they should contact:

- PSSap: **1300 725 171** or **members@pssap.com.au**
- PSS: **1300 000 377** or **members@pss.gov.au**
- CSS: **1300 000 277** or **members@css.gov.au**