



Superannuation Act 1990 (Allocating Additional Interest — PSS) Determination 2016

as amended

made under clause 3 of the Public Sector Superannuation Scheme Trust Deed made under section 4 of the *Superannuation Act 1990*

Compilation start date: 1 March 2017

Includes amendments up to: *Superannuation Act 1990 (Allocating Additional Interest – PSS) Amendment Determination 2018*

About this compilation

This compilation

This is a compilation of the *Superannuation Act 1990 (Allocating Additional Interest – PSS) Determination 2016* that shows the determination as amended and in force on 1 March 2017 (the *compilation date*).

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1 Name of Determination

This Determination is the *Superannuation Act 1990 (Allocating Additional Interest — PSS) Determination 2016*.

2 Commencement

This Determination commences on 1 March 2017.

3 Application

This determination applies for the calculation of additional allocated interest under the *Superannuation Act 1990* 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 after 1 March 2017.

Note: The *Superannuation Act 1990 Allocated Interest (Additional Interest) Determination 2007* sets rules for the calculation of interest for periods or parts of periods that occur before 1 March 2017.

4 Definitions

- (1) In this Determination:

associate preserved benefit member means a non-member spouse to whom an associate preserved benefit applies, and includes a non-member spouse to whom an associate preserved benefit applies as the result of a payment split in relation to the associate preserved benefit of another non-member spouse.

Cash Option has the meaning given by the *Superannuation Act 1990 (Method for Allocating Interest — PSS) Determination 2016*.

Default Fund has the meaning given by the *Superannuation Act 1990 (Method for Allocating Interest — PSS) Determination 2016*.

General Interest Determination means the *Superannuation Act 1990 (Method for Allocating Interest — PSS) Determination 2016*.

period of interest means the period described in clause 6.

relevant lump sum has the meaning set out in clause 5

Rules means the Rules for the Administration of the Superannuation Scheme contained in the Deed mentioned in section 4 of the *Superannuation Act 1990*.

- (2) Words and expressions defined in the Rules have the same meaning in this Determination.

Note: Rules 1.2.1 and 16.1.2 include definitions of various expressions, including ***associate preserved benefit***, ***member***, ***non-member spouse***, ***preserved benefit*** and ***preserved benefit member***.

- (3) In this determination, a reference to a category of member (member, preserved benefit member or associate preserved benefit member) includes a deceased person who was within that category immediately before his or her death.

5 Interest payable on certain lump sum payments

For Rules 12.3.1 and 12.3.2, interest shall be added to a lump sum (a *relevant lump sum*) described in paragraphs (a) to (c) below:

- (a) in relation to a benefit that has become payable in full or in part:
- (i) for a member, an amount, payable as a lump sum, of the benefit that has become payable; or
 - (ii) for a preserved benefit member, such portion of the preserved benefit (including the unfunded preserved benefit) which has become payable as a lump sum; or
 - (iii) for an associate preserved benefit member, the portion of the amount mentioned in paragraph (b) of the definition of associate preserved benefit in Rule 16.3.1 that has become payable;
- (b) in relation to an amount that is payable as a roll-over under Division 2 of Part 11 of the Rules: an amount, payable as a lump sum, that is the sum of a member's post-1995 accumulated transfer amounts determined by CSC under rule 11.2.3A; or
- (c) in relation to an amount that is payable as a roll-over under Division 4 of Part 11 of the Rules: the amount, payable as a lump sum, that is the amount of a member's Accumulated Additional Contributions determined by CSC under rule 11.4.8;

but no interest is payable under this determination in respect of:

- (d) an amount payable under Rule 7.3.3, 7.3.4, 7.3.5, 9.5.5, 11.3.26 or 11.3.27; or
- (e) a pension instalment (including arrears).

6 Period of interest

- (1) The period of interest for a relevant lump sum begins on the first day of interest, and ends on the termination day.
- (2) The first day of interest for a relevant lump sum is:
- (a) if a benefit is payable to a person upon ceasing to be a member—the day after the day on which the person ceases to be a member; and
 - (b) if all or part of a preserved benefit has become payable—the day after the day on which the benefit becomes payable to, or in respect of, the preserved benefit member;
 - (c) if all or part of an associate preserved benefit has become payable—the day after the day on which the benefit becomes payable to, or in respect of, the associate preserved benefit member; and

- (d) if a valid transfer request for a roll-over has been received by CSC from a member in accordance with Division 2 or Division 4 of Part 11 of the Rules —the day after the day on which the transfer request is received.
- (3) The termination day for the relevant lump sum is:
 - (a) unless paragraph (b) or (c) applies: the day on which the relevant lump sum has been determined by CSC;
 - (b) for a person who has attained the age of 65 years and 3 months and whose benefit becomes payable on or after 1 March 2017, the earlier of:
 - (i) the day 3 months after the benefit became payable; and
 - (ii) the day on which the relevant lump sum has been determined by CSC; or
 - (c) for a person who has attained the age of 65 years and 3 months and whose benefit became payable before 1 March 2017: 1 March 2017.

Note: The day a preserved benefit becomes payable may be the day that the member has nominated to claim the preserved benefit, or the date that the benefit otherwise *becomes* payable by force of the Rules (for example, by reason of a decision to release the preserved benefit on grounds of the total permanent incapacity of the preserved benefit member).

7 Calculation of interest

- (1) Subject to subclause (2), interest at the rate worked out in accordance with clause 8 is payable on a relevant lump sum for such part of a period of interest occurring on or after 1 March 2017.
- (2) Where interest worked out under clause 8 is equal to an amount less than zero, the interest payable on the relevant lump sum for the period of interest is zero.

8 Rates of interest — Default Fund and Cash Option

- (1) Interest payable on a relevant lump sum is deemed to have accrued during such part of the period of interest as occurred on or after 1 March 2017; at the daily compound rate of interest calculated in accordance with clauses 8, 9 and 22 of the General Interest Determination.
- (2) To avoid doubt, for an amount to which subclause (1) applies:
 - (a) subclauses 10(5), 10(6) and 10(7) of the General Interest Determination apply to a lump sum to the extent that some or all of the lump sum is not in the PSS Fund during the period of interest; and
 - (b) subclauses 10(2) and (3A) of the General Interest Determination apply to the calculation of interest on the lump sum under this Determination so that the rate applied for the first day of interest of a period (S) is ordinarily the same as the rate applied for the termination day for the preceding period of interest under the General Interest Determination (E).

Note 1: Paragraph (a) makes it clear that the interest rate is zero in respect of periods where the relevant amount is not in the PSS Fund, unless it is an amount which ordinarily is not in

the PSS Fund but accrues interest as if it were (eg an unfunded productivity benefit for a preserved benefit member).

Note 2: Paragraph (b) explains how interest rates are calculated for consecutive periods of interest such as those occurring when an amount ceases to accrue interest under the General Interest Determination and starts to accrue interest under this Determination. As the start (S) rate applicable to the period of interest under this Determination is the rate determined for the day immediately before the first day of interest under subclause 10(2) of the General Interest Determination, this ordinarily means that the same rate is used for the end of the period of interest under the General Interest Determination and the start of the period of interest under this Determination (see also the explanatory subclause 10(3A)).