



# Significant event notice

30 June 2023

## Information about changes to the PSS Product Disclosure Statement (PDS)

### Tell me quickly

There has recently been some minor changes to the PSS Product Disclosure Statement (PDS). This significant event notice documents each such change made in FY 2022-23.

Specifically, the indirect fee costs of the Cash and Balanced

investment options have been updated, as has the risk profile of the Balanced investment option, further details below.

We're here to guide you

Email [members.aps@contact.csc.gov.au](mailto:members.aps@contact.csc.gov.au) or call 1300 000 377.

## Changes to the PSS Product Disclosure Statement (PDS)

Changes have been made to the 'Balanced' investment option disclosure on page 5 of the [PSS PDS](#) as follows (all changes highlighted in red):

| Change  | As at 30 June 2022   | As at 30 June 2023  |
|---|--|---|
| <b>Balanced – the default investment option</b> |  |   |
| <b>Risk rating</b>                              | <p>This investment option may be suitable for those investors prepared to take more risk in exchange for potentially higher returns on their investment over the medium-to-long term.</p> <p>The minimum suggested time frame for holding this option is 10 years. With a <b>medium-to-high risk rating (band five)</b>, it is estimated that the option will have a negative return (i.e. will lose value) in <b>three to four</b> years over any 20 year period.</p> | <p>This investment option may be suitable for those investors prepared to take more risk in exchange for potentially higher returns on their investment over the medium-to-long term.</p> <p>The minimum suggested time frame for holding this option is 10 years. With a <b>high-risk rating (band six)</b>, it is estimated that the option will have a negative return (i.e. will lose value) in <b>four to less than six</b> years over any 20 year period.</p> |

Changes have been made to the 'Fees and costs' section on pages 5-6 of the [PSS PDS](#) as follows (all changes highlighted in red):

## 6. Fees and costs

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).



Public Sector Superannuation Scheme

The Public Sector Superannuation Scheme (PSS or the Fund) (ABN 74 172 177 893, RSE R1004595) was established under the Superannuation Act 1990 (Cth), exclusively for employees of the Australian Government and other participating employers. PSS is issued by Commonwealth Superannuation Corporation (CSC, we or us, ABN 48 882 817 243, AFSL 238069, RSEL L0001397).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your employer, as applicable, may be able to negotiate to pay lower fees.\*

### To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) Moneysmart website ([www.moneySMART.gov.au](http://www.moneySMART.gov.au)) has a superannuation calculator to help you check out different fee options.\*\*

\* We are required by law to provide you with this information, however lower fees cannot be negotiated with the Fund.

\*\* The calculator on the ASIC website can be used to calculate the effect of fees and costs on account balances.

The main fees and costs involved in investing in the **Default Fund** are set out in the table on the following page. The information in this table can be used to compare costs between different superannuation products. Fees and costs are paid by you or from the Fund assets as a whole (including investment returns), depending on the fee charged.

## Fees and Costs Summary

| PSS Default Fund  |   |   |
|---|---|---|
| Type of fee or cost                                       | Amount  | How and when paid   |
| <b>Ongoing annual fees and costs<sup>1</sup></b>          |   |   |
| <b>Administration fees and costs</b>                      | Nil   | As a PSS member you do not pay any administration, switching or any other ongoing administration fees as these costs are covered by your employer (or your former employer if you are a preserved member).  |
| <b>Investment fees and costs<sup>2</sup></b>              | 0.78% (est.)  | <ul style="list-style-type: none"> <li>• Not deducted directly from your account.</li> <li>• Paid from or reduces the amount of investment returns or assets related to each investment option.</li> <li>• Reflected in the earning rates of each investment option, which is published each business day.</li> </ul>   |
| <b>Transaction costs</b>                                  | 0.15% (est.)  | <ul style="list-style-type: none"> <li>• Not deducted directly from your account.</li> <li>• Paid from or reduces the amount of investment returns or assets related to each investment option.</li> <li>• Reflected in the earning rates of each investment option, which is published each business day.</li> </ul>   |
| <b>Member activity related fees and costs</b>             |   |   |
| <b>Buy–sell spread</b>                                    | Nil   |   |
| <b>Switching fee</b>                                      | Nil   |   |
| <b>Other fees and costs</b>                               |   |   |
| <b>Advice fees – ‘fee for service’ advice<sup>3</sup></b> | Varies. The fee amount may be agreed with your planner before you take up the advice. | <ul style="list-style-type: none"> <li>• Paid directly by you. We don’t deduct advice fees from your PSS account.</li> <li>• If you’d like ‘fee for service’ (comprehensive) advice from a CSC authorised financial planner*, a summary and fixed quote for the comprehensive advice and service you receive will be outlined to you and is subject to your agreement.</li> </ul> |

<sup>1</sup> If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity’s income year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

<sup>2</sup> The Investment fees and costs include an amount of 0.27% for performance fees. The calculation basis for this amount is set out under ‘Additional Explanation of Fees and Costs’ in the Fees and other costs booklet available on our website.

<sup>3</sup> You may pay ‘fee for service’ fees to a financial adviser if you consult one. Refer to the Statement of Advice from your financial adviser for details of these fees. For more information about advice fees that you may choose to pay, see the ‘Additional explanation of fees and costs’ section of the Fees and other costs booklet.

\* Our authorised Financial Planners are authorised to provide advice by Guideway Financial Services (ABN 46 156 498 538, AFSL 420367). Guideway is a licensed financial services business providing CSC Financial Planners with support to provide customers with specialist advice, education and strategies

All fees and costs in this section are inclusive of GST less any reduced input tax credits the fund may be entitled to.

## Changes to fees and costs

We may change these fees and costs from time to time without your consent. We will let you know of any fee change that we believe will materially affect you at least 30 days before the change takes effect.

## Example of annual fees and costs for a superannuation product

This table gives an example of how the ongoing annual fees and costs for the Default Fund option for this superannuation product can affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products.

| Example – Default Fund         |              | Balance of \$50,000  |
|--------------------------------|--------------|--|
| Administration fees and costs  | \$0          | For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment \$0 in administration fees and costs. |
| PLUS investment fees and costs | 0.78% (est.) | And, you will be charged or have deducted from your investment \$390 in investment fees and costs.   |
| PLUS transaction costs         | 0.15% (est.) | And, you will be charged or have deducted from your investment \$75 in transaction costs.  |
| EQUALS cost of product         |              | If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of \$465 for the superannuation product.  |

Additional fees may apply. This example is illustrative only.

You should read the important information about Fees and costs before making a decision. Go to the [Fees and other costs booklet](#) available at [csc.gov.au](http://csc.gov.au). The material relating to Fees and costs may change between the time when you read this Statement and the day when you acquire the product.

## Changes to the PSS Investment options and risks booklet

Changes have been made to the ‘PSS Investment options’ information on page 9 of the [PSS Investment options and risks booklet](#) follows (all changes highlighted in red):

| Change  | As at 30 June 2022   | As at 30 June 2023  |
|---|--|---|
| <b>Balanced – the default investment option</b> |  |   |
| <b>Risk profile</b>                             | <p>This investment option may be suitable for those investors prepared to take more risk in exchange for potentially higher returns on their investment over the medium-to-long term.</p> <p>The minimum suggested time frame for holding this option is 10 years. With a <b>medium-to-high risk rating (band five)</b>, it is estimated that the option will have a negative return (i.e. will lose value) in <b>three to four</b> years over any 20 year period.</p> | <p>This investment option may be suitable for those investors prepared to take more risk in exchange for potentially higher returns on their investment over the medium-to-long term.</p> <p>The minimum suggested time frame for holding this option is 10 years. With a <b>high-risk rating (Band six)</b>, it is estimated that the option will have a negative return (i.e. will lose value) in <b>four to less than six</b> years over any 20 year period.</p> |

# Changes to the PSS Fees and other costs booklet

Changes have been made to the 'Fees and other costs' information on pages 2-4 of the [PSS Fees and other costs booklet](#) as follows (all changes highlighted in red):

## Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your employer, as applicable, may be able to negotiate to pay lower fees.\* Ask the fund or your financial adviser.

## To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.\*\*

\*We are required by law to provide you with this information, however lower fees cannot be negotiated with the Fund.

\*\*The calculator on the ASIC website can be used to calculate the effect of fees and costs on account balances.

## Fees and other costs

This section shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the super entity as a whole.

Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you. Entry and exit fees cannot be charged.

Taxes, insurance fees and other costs relating to insurance are set out in the [Tax and your PSS booklet](#).

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

The fees and other costs for each investment option offered by the entity, are set out on page 3.

The main fees to manage your account are provided below for each investment option. You can use these to compare our fees with similar funds.

## Fees and Costs Summary

| Public Sector Superannuation Scheme (PSS)                 |   |   |
|---|---|---|
| Type of fee or cost                                       | Amount  | How and when paid   |
| <b>Ongoing annual fees and costs<sup>1</sup></b>          |   |   |
| <b>Administration fees and costs</b>                      | Nil   | As a member of PSS you do not pay any administration, switching or any other ongoing administration fees as these costs are covered by your employer (or your former employer if you are a preserved benefit member).   |
| <b>Investment fees and costs<sup>2</sup></b>              | Investment Option   | % per Annum (est.)  |
|   | Cash  | 0.07%   |
|   | Default Fund  | 0.78%   |
| <b>Transaction costs</b>                                  | Investment Option   | % per Annum (est.)  |
|   | Cash  | 0.00%   |
|   | Default Fund  | 0.15%   |
| <b>Member activity related fees and costs</b>             |   |   |
| <b>Buy–sell spread</b>                                    | Nil   |   |
| <b>Switching fee</b>                                      | Nil   |   |
| <b>Other fees and costs</b>                               |   |   |
| <b>Advice fees – ‘fee for service’ advice<sup>3</sup></b> | Varies. The fee amount may be negotiated with your adviser before you take up the advice. | <ul style="list-style-type: none"> <li>• Paid directly by you. We don’t deduct advice fees from your PSS account.</li> <li>• If you’d like ‘fee for service’ (comprehensive) advice from a CSC authorised financial planner*, a summary and fixed quote for the comprehensive advice and service you receive will be outlined to you and is subject to your agreement.</li> </ul> |

<sup>1</sup> If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity’s income year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

<sup>2</sup> The Investment fees and costs include an amount of 0-0.27% for performance fees. The calculation basis for this amount is set out under ‘Additional Explanation of Fees and Costs’.

<sup>3</sup> You may pay ‘fee for service’ fees to a financial adviser if you consult one. Refer to the Statement of Advice from your financial adviser for details of these fees. For more information about advice fees that you may choose to pay, see the ‘Additional explanation of fees and costs’ section on page 5.

\* Our authorised financial planners are authorised to provide advice by Guideway Financial Services (ABN 46 156 498 538, AFSL 420367). Guideway is a licensed financial services business providing CSC financial planners with support to provide customers with specialist advice, education and strategies

## Example of annual fees and costs for a superannuation product

This table gives an example of how the fees and costs for the Default option for this superannuation product can affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products.

| Example – Default Fund         |              | Balance of \$50,000   |
|--------------------------------|--------------|---|
| Administration fees and costs  | \$0          | For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment \$0 in administration fees and costs |
| PLUS investment fees and costs | 0.78% (est.) | And, you will be charged or have deducted from your investment \$390 in investment fees and costs   |
| PLUS transaction costs         | 0.15% (est.) | And, you will be charged or have deducted from your investment \$75 in transaction costs  |
| EQUALS cost of product         |              | If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of \$465 for the superannuation product. |

Additional fees may apply. This example is illustrative only.

### Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a 1-year period for all superannuation products and investment options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product information assumes a balance of \$50,000 at the beginning of the year.

(Additional fees such as a buy-sell spread may apply: refer to the Fees and costs summary for the relevant superannuation product or investment option.)

You should use this figure to help compare superannuation products and investment options.

| CSS Investment Option | Cost of product |
|-----------------------|-----------------|
| Cash                  | \$35            |
| Default Fund          | \$465           |

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### General advice

Any financial product advice in this document is general advice only and has been prepared without taking account of your personal objectives, financial situation or needs. Before acting on any such general advice, you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs. You may wish to consult a licensed financial advisor. You should obtain a copy of the relevant Product Disclosure Statement and consider its contents before making any decision regarding your super. Commonwealth Superannuation Corporation (CSC). ABN 48 882 817 243 AFSL 238069 RSE Licence No: L0001397.



**Email**  
members.aps@contact.csc.gov.au



**Phone**  
1300 000 377



**Financial Advice**  
1300 277 777



**Post**  
PSS  
GPO Box 2252  
Canberra ACT 2601



**Web**  
csc.gov.au



**Overseas Callers**  
+61 2 6192 9503



**Fax**  
(02) 6275 7010