Australian Government
Commonwealth Superannuation Corporation

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Important changes to CSS, PSS and PSSap Super Salary effective 1 March 2022

The Department of Finance have announced changes to the calculation of employer's superannuation obligations for CSS, PSS, and PSSap employees effective 1 March 2022. You should familiarise yourselves with the new regulations and apply them in your workplace as appropriate. Details of the changes can be accessed at Superannuation (CSS) Salary Amendment (Housing Allowance and Rent-free Housing) Regulations 2022 via legislation.gov.au

Changes at a glance

- The Superannuation (CSS) Salary Amendment (Housing Allowance and Rent-free Housing) Regulations 2022 make changes to the super salary calculation within the Superannuation (CSS) Salary Regulations 1978 effective 1 March 2022. These changes to CSS super salary will also apply to super salary calculations for PSS and PSSap members. In the case of **PSSap**, the changes will **only** be relevant where your agency calculates super salary based on the **Fortnightly Contribution Salary (FCS)** method.
- **These changes are being made to the treatment of housing allowance and rent-free housing, which will now specifically be excluded from the calculation of an affected employee's super salary on 1 March 2022.**
- Any CSS, PSS or PSSap (FCS only) member who had a super salary that included housing allowance or rent-free housing before 1 March 2022 will be subject to salary maintenance requirements. This generally means that the member's super salary will be maintained for contributions and benefit purposes if their actual salary decreases because of these changes.
- This change isn't retrospective and will only affect super salaries calculated with an effective date on and from 1 March 2022. Previous super salaries calculated and reported to CSC should not be recalculated as a result of this change, this only needs to be considered when calculating super salaries on or after 1 March 2022.
- Depending on the wording of your employment arrangements, if you pay contributions to choice funds, other than PSSap, based on FCS, the calculation of these contributions may also be affected by this change. You should consider these situations based on your agency's employment conditions, CSC isn't able to provide guidance on this.
- You should communicate with affected employees to inform them of these changes. Where appropriate please provide CSC with copies of the communication you send to your employees on this so that we're able to discuss this if the member contacts us.
- Any queries related to these changes should be directed to the Department of Finance by emailing superbranch@finance.gov.au

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23 February 2022

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