



We've made some changes to PIPs

We've been working hard on improvements to partial invalidity pensions (PIPs) to better help our CSS and PSS customers in times of sickness and injury. Check out the improvements below.

There's no need to wait for sick leave to expire for informal PSS PIPs

You no longer need to wait for a PSS customer to expire their sick leave credits before applying for an informal PIP.

Previously, we've asked that applications for PIP be submitted only after the individual has no sick leave remaining. From now we'll be assessing them earlier.

If applying for an informal PIP, we can approve the application from the time your employee changes their hours and/or level as a result of their sickness or injury.

This means that the evidence you've obtained from treating and independent doctors at the time of that change will remain relevant for your application – you won't need to obtain more medical evidence when the sick leave expires.

Once an informal PIP is approved, it's up to you to guide your employee on how any sick leave accrual will be used now that they are eligible for a PIP. You may wish to refer to your enterprise agreement, internal policies, or similar for further assistance. We'll be relying on your calculations at reimbursement time to show us how the sick leave was used.

New guides on PIP applications

We've published new **quick guides** about PSS PIPs on our website. So it's time to recycle any old copies you might have lying around.

We've simplified the information and language in the new guides to better help you and your employees navigate the process. The new guides will help you apply for, review and pay PSS PIPs, with a guide for CSS PIPs coming soon.

There is some helpful information in the new guides aimed specifically at your employees, but as always you're welcome to share the entire guide with them.

PIPs can be reviewed whenever you or your employee want

In the past, we've regularly reached out to trigger a review of a person's PIP. We don't want you or your employees to feel as though you need to wait for us to trigger that review if there's been a change in their situation, so we've adjusted our process.

Reviews can be requested whenever you or your employee want. We won't be triggering reviews unless we notice something in your reimbursements that indicates a change to your employee's working pattern. So whenever you get medical evidence that supports an adjustment to a person's hours and/or level, get in touch with us so we can review their PIP.

Have a read of our new guide on PSS PIP reviews for more information about the evidence we need for a review and the process.

New PSS PIP calculator

We've improved **the calculator you use for PSS PIPs**.

We'd love for this new calculator to be used from 1 October 2020 to help you calculate PSS PIPs, as well as seek reimbursement of what you pay. It'll be especially helpful for informal PIPs.

A little tip from us: if you use the calculator to determine the informal PIP amount each fortnight, you shouldn't need to spend too much time getting it ready for the reimbursement process.

The changes to our calculator help to simplify the way you determine how much PIP to pay. Instead of applying the PIP as a daily amount, apply it on a **fortnightly basis**.

The formula for a PIP is **loss in salary x proportion¹**.

We will continue to provide you with the proportion when a PIP is approved. This figure won't change unless we advise you otherwise, so make sure you keep it on file for future use.

What's changing is the way we determine the loss in salary. The loss is the difference between the person's previous salary and their reduced salary. For informal PIPs, the reduced salary can change frequently if public holidays and paid leave days fall within a pay fortnight.

Instead of breaking a fortnight into individual days, we want to consider the fortnight as a whole. Ask yourself:

1. What would I pay this employee this fortnight if they hadn't changed their hours and/or level because of their sickness or injury?
2. What am I actually paying this employee in salary this fortnight?

You find the loss in salary by deducting the answer to question 2 from question 1. But there's no need for you to calculate this loss – pop the answers to the above questions into the new calculator and it'll tell you what to pay in PIP.

¹ This formula is a simplified version of the formula in rule 10.5.7 of the PSS Trust Deed, the elements of which are explained in rule 10.5.8 of the PSS Trust Deed.

Make sure you reimburse PIPs every 6 months

It's important that you're reimbursing PIPs every 6 months. Regular reimbursements mean any incorrectly calculated periods can be fixed sooner. It also means we can better monitor changes to working patterns and identify any concerning trends early, both of which could trigger a review of your employee's situation.

We've noticed some employers haven't sought reimbursement for some time. If you're working through a backlog of reimbursement claims, you'll need to use the new calculator to show us what you've paid in PIPs. If your employee has come to you from another employer, you only need to reimburse them for the time they've been with you.

Need some help?

Get in touch with us if you're unsure about any of the PIP changes. You can call us on **1300 338 240** or email **employer.service@csc.gov.au**.

Sonja Nocera
Employer Services Manager
Commonwealth Superannuation Corporation



Any advice provided in this guide 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. Before making any decision in relation to a scheme referred to in this guide, you should obtain a copy of the Product Disclosure Statement (PDS) for that scheme.

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Trustee of Commonwealth Superannuation Scheme (CSS) ABN: 19 415 776 361 RSE: R1004649
Military Superannuation and Benefits Scheme (MilitarySuper) ABN: 50 925 523 120 RSE: R1000306
Public Sector Superannuation Scheme (PSS) ABN: 74 172 177 893 RSE: R1004595
Public Sector Superannuation Accumulation Plan (PSSap) ABN: 65 127 917 725 RSE: R1004601
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