



Multiple PSS memberships

This factsheet is for...

PSS members who:

- have more than one membership
- or
- hold a preserved benefit and are considering returning to eligible employment.

What is in this factsheet?

This factsheet will explain what happens when you cease and re-join eligible employment (non-concurrent memberships) and when you have overlapping periods of eligible employment (concurrent memberships).

- Why do I have more than one membership?
- Can I combine my memberships?
- Non-concurrent memberships
- Concurrent memberships
- Where can I get more information?

Why do I have more than one membership?

If you have worked for multiple eligible employers, you may have multiple PSS memberships. This is because PSS members are given a new membership for each period of eligible employment unless continuous service applies.

Note: If you are taking Leave Without Pay (LWOP) to work for another eligible employer, you will need to inform both employers so that your super can be reported correctly. This will usually mean you only contribute to one membership, and won't have multiple memberships created.

Multiple memberships are treated differently depending on whether they are for **non-concurrent** or **concurrent** periods of membership.

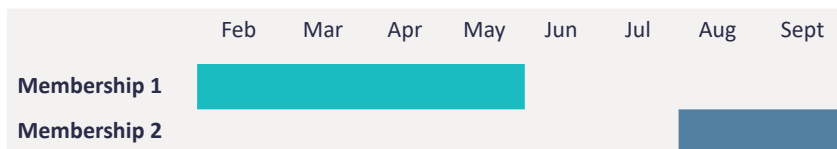
About continuous service

Continuous service may apply when you move from one eligible employer to another, with little or no break in between.

If continuous service applies, your new employer will contribute to the same membership as your last employer.

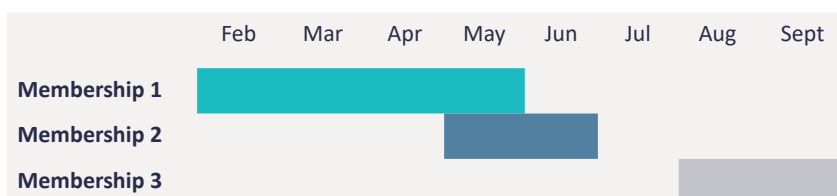
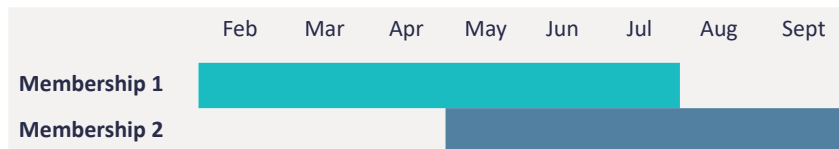


Public Sector
Superannuation
Scheme



If you re-joined PSS after ceasing employment and preserving your benefit, you will have multiple **non-concurrent** memberships. This means the memberships don't overlap.

If you held more than one eligible position at the same time, you will usually have multiple **concurrent** (overlapping) memberships.



Depending on your employment history, it's possible you may have both **non-concurrent** and **concurrent** memberships.

Can I combine my memberships?

Generally, yes. However, combining memberships in PSS is not always as simple as adding the total equity of each membership together.

PSS is a Defined Benefit scheme, which means multiple memberships need to be combined using particular formulas.

Below is a summary of how non-concurrent and concurrent memberships are treated.

Non-concurrent	Concurrent
Your preserved membership is usually combined with your new membership at the date of re-joining.	Your memberships will be combined at the date you cease one period of eligible employment.
Combining memberships is mandatory.	Combining memberships is mandatory if the membership you are ceasing has been active for less than three months. Otherwise, combining is optional.
The Defined Benefit equity that is preserved in PSS is converted into a Preserved Benefit Multiple (PBM) .	The Defined Benefit equity from the membership you are ceasing is converted into a Membership Transfer Multiple (MTM) .
The PBM forms part of the Accrued Benefit Multiple (ABM) of your new membership.	The MTM forms part of the Accrued Benefit Multiple (ABM) of the ongoing membership.
The funded components* are credited to the new membership and accrue fund earnings.	The funded components* are credited to the new membership and accrue fund earnings.
The total Defined Benefit from your preserved membership grows in line with average salary growth.	The total Defined Benefit from your ceased membership grows in line with future average salary growth.

* Funded components are your Member Contributions, post 1990 Productivity Contributions, Transfer Amounts and earnings.

Non-concurrent memberships

If you have Defined Benefit equity preserved in PSS, you may choose (or be required) to re-join PSS, if you re-enter eligible employment.

If you re-join PSS, your preserved benefit must be converted into a Preserved Benefit Multiple (PBM), which forms part of your Accrued Benefit Multiple (ABM) for your new membership.

Any funded components transferred from a previous membership will be credited to your new membership. They will grow in line with fund earnings. Your total benefit will be impacted by your average salary growth and your ongoing ABM.

How is my PBM calculated?

Your PBM is calculated by dividing your preserved Defined Benefit at the date you re-joined PSS by the commencing Super Salary of your new membership.

Example: Wendy was a member of PSS from 1 July 2003 to 30 June 2015. When she ceased employment, she elected to preserve her benefit in PSS.

Wendy started working for an eligible employer again and re-joined PSS on 1 July 2017. At this date, her preserved benefit had grown to \$305,000. Her commencing Super Salary on her new membership was \$70,000. Therefore, Wendy's PBM is 4.357 ($\$305,000 \div \$70,000$).

We may need to calculate your PBM differently if this formula produces an inequitable result. If this is the case, we'll write to you and let you know.

How is my Super Salary calculated?

Your super salary is your basic salary plus any recognised allowances—these might include things like higher or additional duties. Allowances not recognised include things like overtime, accommodation, travel and bonus or performance pay. For more information about your Super Salary, visit our website, or contact your payroll section.

What is the impact on my benefit?

When you combine non-concurrent memberships, your preserved benefit becomes part of your new membership, meaning that your preserved benefit will no longer exist as a standalone benefit. Your funded components will be credited to your new membership where they will grow in line with fund earnings. Your total Defined Benefit including your Employer Component is reflected in your increased ABM, as a result of the PBM, and will therefore grow in line with average salary growth.

Why is my PBM less than my old ABM?

Generally, if your Super Salary is higher on re-joining PSS than your Final Average Salary (FAS) was when you exited, your PBM will be less than your old ABM. This is because your equity will be divided by a larger number (your higher Super Salary), creating a smaller PBM. If this is the case, you will not be at a disadvantage because your PBM (which is included in your new ABM) will be multiplied by your new higher Super Salary to calculate your total benefit.

Example: Susan ceased employment on 20 July 2016. At this time she had an ABM of 0.43 and a FAS of \$55,000. Susan's total equity was calculated as \$23,650 ($\$55,000 \times 0.43$) which was preserved in PSS. On 16 April 2018 she re-joined PSS with a Super Salary of \$60,000. As her preserved benefit had grown to \$24,900, Susan's PBM was calculated as $\$24,900 \div \$60,000$, giving a PBM of 0.415.

This is less than Susan's ABM of 0.43 when she left in 2016. However her PBM of 0.415 will be multiplied by the new higher salary of \$60,000 to determine her final benefit of \$24,900. Therefore, despite the lower PBM, Susan has not lost any equity.

Your PBM may also be lower than your ABM if the equity in your preserved benefit has decreased since you exited. This could be due to partial withdrawals or negative fund earnings.

PBM calculations before 1 July 1995

Under the PSS Trust Deed, if you re-joined PSS before 1 July 1995 your PBM must be calculated 12 months after your re-join date. **For example,** a member who ceased eligible employment then re-joined PSS on 15 June 1993 would have their PBM calculated on 15 June 1994.

Do my non-concurrent memberships need to be combined?

Yes, they do. It's mandatory for us to combine non-concurrent memberships together. This is because the PSS Trust Deed requires your preserved membership to be converted to a PBM and combined with your new membership.

Concurrent memberships

If you contribute to more than one PSS membership at the same time, and one of them ceases (i.e. you leave one of your employment arrangements), you can generally choose to either leave the ceased membership as a standalone preserved benefit, claim it (if eligible), or combine it with your other concurrent membership. However, if the membership you are ceasing has been active for less than three months you will need to combine your memberships.

Note: You won't be able to combine your concurrent memberships if doing so would cause you to exceed your Maximum Benefit Limit.

Once your concurrent memberships are combined, your ceased membership is converted into a Membership Transfer Multiple (MTM) which forms part of the ABM for your ongoing membership.

How is the MTM calculated?

Your MTM is calculated by dividing your total Defined Benefit (i.e. FAS x ABM) for your ceasing membership by your average salary for your ongoing membership. These calculations are both done based on figures from the day that your membership ceases.

Example: John had two concurrent memberships. One ceased on 30 June 2017 with a FAS of \$45,000, and an ABM of 0.161538 for a total Defined Benefit of \$7,269.21 (\$45,000 x 0.161538). On the same date (30 June 2017) John's average salary for his ongoing membership was \$75,000. If he elected to combine his memberships, his MTM would be 0.096923 (\$7,269.21 ÷ \$75,000).

Important information for casual or per diem members

If you are a casual or per diem employee, your membership is not considered to have ceased until:

- no contributions have been made for more than 26 consecutive fortnights; or
- you make a declaration that you have no plans to be re-employed by an eligible employer within a year (26 fortnights) of ceasing your casual employment.

Am I eligible to combine my concurrent memberships using a MTM?

You must have ceased contributing to at least one of your concurrent memberships in order to make an election to combine. This is because the election to combine is regarded as a benefit option only available on ceasing employment under the Trust Deed.

How do I elect to combine my memberships?

If you are ceasing one of your memberships, and considering combining it with a concurrent membership, you should call or email us to request a comparison estimate so you can see the effect this will have on your benefit. Your MTM will always be the same, no matter what date you request your comparison estimate.

Note: You will only have one opportunity to make an election to combine your memberships using a MTM.

We will send you an election form with your comparison estimate. If you want to go ahead with combining your memberships, you need to complete the election form and return it to us within 90 days. Alternatively, when you stop working for your employer and cease your membership, you can select '**Combine with a concurrent period of membership**' as your benefit option when you complete your benefit application.

Is my election to combine memberships binding?

Yes, when you elect to combine your concurrent memberships you're making a formal election under the provisions of the *Superannuation Act 1990*. This election is binding and can't be cancelled or withdrawn. CSC may, at its absolute discretion, agree to change an election in certain exceptional circumstances, provided the proposed change is permitted in the PSS Trust Deed.

What if I don't make an election?

If you have been provided with a comparison estimate and don't make an election to combine within 90 days of the estimate, your memberships will remain separate. You will be unable to ask for your memberships to be combined using a MTM in future, but you may still have an opportunity to combine your memberships using a different method at a later date.

Can I combine my concurrent memberships at a later date?

If the ceased membership is kept separate from the ongoing membership, you may be eligible to preserve it. If you preserve the ceased membership, and later cease and preserve your ongoing membership, you will have two separate preserved memberships.

The PSS Trust Deed states that if, on 1 July of any year, a member has two preserved memberships they may elect to combine those memberships by simply adding the preserved components together.

Example: Tracey has two preserved concurrent memberships on 1 July 2018:

	Membership 1	Membership 2
Member component	\$20,000	\$3,000
Productivity component	\$10,000	\$2,000
Employer component	\$50,000	\$8,000
Total	\$80,000	\$13,000

If Tracey elects to combine both memberships on 1 July 2018, she will have a total balance of \$93,000. No adjustment will be made to her ABM as she is no longer a contributing member.

If you would like to make an election to have your preserved memberships combined on 1 July, you will need to advise us in writing.

Note: your memberships will be combined effective 1 July before your request is made.

For example: if you request your memberships to be combined on 30 April 2019, your memberships will be combined with effect from 1 July 2018. For your request to be valid, both memberships must be preserved on the effective date.

What is the effect of combining concurrent memberships on my final benefit?

You may find that there is a difference between your total individual benefits, and your combined benefit. This is because your final benefit is dependent on factors such as fund earnings and salary growth.

However, the total benefit amount is not the only matter that you should consider when deciding whether to combine your concurrent memberships. You should also think about:

- how you want to claim your final benefit
- whether you might re-join PSS at a later date
- whether you want to vary your investment options

Summary of the differences between combined and separate PSS memberships

Combined	Separate
A single member statement issued every year and a single Member Services Online (MSO) account*.	Separate member statements issued for each membership every year and separate MSO accounts.
Can claim all memberships (once combined) as a single benefit.	Can claim one benefit and not the other, or claim each membership as a different option (e.g. lump sum or pension).
Once your final benefit is claimed, there is no opportunity to re-join PSS in future.	If at least one membership is preserved in PSS, you may be able to re-join PSS in future.
All of your funds must be in a single investment option.	You can invest each preserved membership in a different option.
The Employer Component forms part of the MTM, and therefore contributes to the ABM of your ongoing membership	The Employer Component grows with CPI (for preserved memberships).

* Your Member Services Online account will only show your combined equity from the next statement period.

We encourage you to obtain a comparison estimate and consider seeking independent financial advice before making an election.

Where can I get more information?

Our office is located at 7 London Circuit, Canberra City. Come in and see us, or contact us at the below details for more information.



EMAIL members@pss.gov.au
PHONE 1300 000 377
FAX 02 6275 7010
MAIL PSS
GPO Box 2252
Canberra ACT 2601
WEB csc.gov.au



Email
members@pss.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