





## Explanatory notes

### ‘Recognised allowances’

Are those allowances, which CSC has determined may be included as salary for superannuation purposes. Some allowances may be recognised immediately, while others can only be accepted after specified eligibility criteria have been satisfied. The PSS Employer Training Notes include more detail on these allowances.

### ‘Likelihood’

In considering the likely period that an allowance will be payable, the broad meaning to be given to *‘likelihood’* in the certificate given by the person Delegated by CSC /Authorised by the CEO of CSC is that there is, at the least, a better than 50 per cent chance that the allowance will be payable for the requisite period.

In assessing the likelihood of the allowance continuing to be payable for a future period, consideration should be given to the possibility of breaks in the payment of the allowance that would either break the continuity or extend the period.

### ‘Continuous’

Continuity is not broken where an allowance requiring a certificate is payable immediately before and after a period of leave during which the allowance is not payable (or payable at a lesser rate). The period of leave will, however, not count towards the 12 months period for the recognition of the allowance. If the allowance continues to be payable during the period of leave the question of breaking continuity does not arise and that period of leave during which the allowance was payable will count towards the twelve month period.

If a recognised allowance ceases to be payable or there is a break in continuity (with the exception of the circumstances set out above) and subsequently the allowance again becomes payable, it is necessary for the criteria for recognition to again be satisfied. A further certificate must be given before the allowance can again be recognised as salary for the purposes of the Rules of the scheme. The criteria must be satisfied again before any higher level of the allowance, e.g. the next increment, can be recognised.

### ‘Effective’

A certificate is effective, in determining the rate of contribution on each anniversary and in determining final annual rate of salary on retirement or death. After the allowance ceases to be payable, or there is a break in continuity, and this results in a reduction in the superannuation salary, the member continues to pay contributions on the salary level applicable on the day immediately preceding the cessation. This salary is updated for general wage increases but not increments in respect of higher duties allowance. Other allowances remain frozen at the rate payable on cessation.

A certificate is not effective on a date before the allowance commenced to be payable.

In the case of age, involuntary or voluntary early retirement, a certificate is only effective if the contributor has been in receipt of the allowance continuously for 12 months and one day at the date of retirement notwithstanding that he may have paid contributions based on the allowance. A Certificate based on *‘likelihood’* will only increase benefit salaries in cases of death or invalidity retirement.

### ‘Reductions’

It is not possible for PSS salary for superannuation to be reduced under the Rules of the Scheme. Members whose actual salary drops below their contribution salary may reduce their contribution rate by completing form **SE2—Election to Vary Superannuation Contribution Rate**, subject to the minimum contribution rate of 2 per cent being retained.

## How can I get more information?



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