



Australian Government

Commonwealth Superannuation Corporation

Fees and costs

Issued 1 March 2023

The information in this 'Fees and costs' document forms part of the Public Sector Superannuation Scheme (PSS) Product Disclosure Statement (PDS), twelfth edition, issued on 1 March 2023 available at csc.gov.au/PDS/

Things to remember when reading this document

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 adviser. You should obtain a copy of the PSS PDS and consider its contents before making any decision regarding your super.

Commonwealth Superannuation Corporation (CSC) ABN: 48 882 817 243 AFSL: 238069 RSEL: L0001397
Trustee and Issuer of the Public Sector Superannuation Scheme (PSS) ABN: 74 172 177 893 RSE: R1004595

Information in this document is up to date at the time of preparation, but we may make changes from time to time. Any changes that are not materially adverse will be updated on our website at csc.gov.au/PDS/ or you can obtain a paper copy free of charge by calling **1300 000 377**.



Public Sector
Superannuation
Scheme

PSS fees and costs

This booklet explains the fees and costs that apply to your PSS account, and other fees and costs you may encounter—depending on the super services you use or the options you take up.

What's inside?

We've divided this booklet into the following parts:

- Fees for managing your investment options. The table on page 3 gives you a high-level view of the fees and costs that apply to your PSS investment options and other, additional fees.
- An example of annual fees and costs on page 4.
- An explanation of defined fees and costs. These are defined under the relevant superannuation legislation, and we explain how they apply to your PSS account. See pages 5 and 6.



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 (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
Ongoing annual fees and costs ¹			
Administration fees and costs	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).
Investment fees and costs ²	Investment Option	% per annum (est.)	• Not deducted directly from your account. • Paid from or reduces the amount of investment returns or assets related to each investment option. • Reflected in the earning rates of each investment option, which is published each business day.
	Cash	0.07%	
	Default Fund	0.78%	
Transaction costs	Investment Option	% per annum (est.)	• Not deducted directly from your account. • Paid from or reduces the amount of investment returns or assets related to each investment option. • Reflected in the earning rates of each investment option, which is published each business day.
	Cash	0.00%	
	Default Fund	0.15%	
Member activity related fees and costs			
Buy-sell spread	Nil		
Switching fee	Nil		
Other fees and costs			
Advice fees: ‘fee for service’ advice ³	Varies. The fee is quoted before you take up the service.		• Paid directly by you. We don’t deduct advice fees from your PSS account. • 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.

¹ 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.

² 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'.

³ 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.

*CSC Financial Planners are authorised to provide financial 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 members with specialist personalised financial advice, 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.

PSS Investment Option	Cost of product
Cash	\$35
Default Fund	\$465

Additional explanation of fees and costs

Defined fees

There are fees that are 'defined' under super law that we must tell you about. Below is a list of defined fees and gives you the super law definition of those fees. Note that not all defined fees will apply to you.

Activity fees

A fee is an activity fee if:

- the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
 - that is engaged in at the request, or with the consent, of a member; or
 - that relates to a member and is required by law; and
- those costs are not otherwise charged as an administration fees and costs, investment fees and costs, transaction costs, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

Administration fees and costs

Administration fees and costs are fees and costs that relate to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that:

- relate to the administration or operation of the entity; and
- are not otherwise charged as investment fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Advice fees

A fee is an advice fee if:

- a. the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:
 - i. a trustee of the entity; or
 - ii. another person acting as an employee of, or under an arrangement with, the trustee of the entity; and
- b. those costs are not otherwise charged as administration fees and costs, investment fees and costs, a switching fee, an activity fee or an insurance fee.

Buy-sell spreads

A buy-sell spread is a fee to recover costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.

Exit fees

An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.

Insurance fee

A fee is an insurance fee if

- a. the fee relates directly to either or both of the following:
 - i. insurance premiums paid by the trustee, or the trustees, of a superannuation entity in relation to a member or members of the entity;
 - ii. costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and
- b. the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and
- c. the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an advice fee.

For more information on Insurance go to the **Death and Invalidity benefits booklet** available at [csc.gov.au](https://www.csc.gov.au)

Investment fees and costs

Investment fees and costs are fees and costs that relate to the investment of the assets of a superannuation entity and includes:

- a. fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- b. costs incurred by the trustee of the entity that:
 - i. relate to the investment of assets of the entity; and
 - ii. are not otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Performance fee

A performance fee means an amount paid or payable, calculated by reference to the performance of a collective investment product, a superannuation product, a MySuper product, an investment option, an interposed vehicle; or part of such a product, option or vehicle.

Transaction costs

Transaction costs are costs associated with the sale and purchase of assets of the superannuation entity other than costs that are recovered by the superannuation entity charging buy-sell spreads.

Switching fees

A switching fee for a superannuation product other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

Changes to fees and costs

We may change fees and costs from time to time. 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. Fees and costs can be changed without a member's consent.

Tax

Any tax deductions are reflected in the investment returns of the fund and not in the form of reduced fees and costs. For more information on tax go to the **Tax and your PSS super booklet** available at csc.gov.au

Other fee information

Advice fees

Fee for service

Customers of PSS have access to a personalised financial advice service. CSC's authorised Financial Planners* provide a personalised service that takes your objectives, financial situation and needs into account.

It is 'fee for service' advice, which means you will need to pay for it. A summary and fixed quote for the comprehensive advice and service you receive will be outlined to you and is subject to your agreement. We do not pay commissions to Financial Planners. CSC's authorised Financial Planners* will always act in your best interests, even if that means recommending a financial product not provided by CSC.

To arrange an initial advice appointment call **1300 277 777** during business hours. For more information visit [Financial planning](#).

*CSC Financial Planners are authorised to provide financial 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 members with specialist personalised financial advice, and strategies.

GST

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

Family law fee

A fee of \$150 for members and \$165 (\$150 plus GST) for non-members is payable for the preparation of a response for superannuation information made in accordance with family law legislation. The fee covers the cost of the administration work required to respond to a request.

Investment fees and costs

PSS's Investment fees and costs includes investment fees and performance fees.

The total estimated Investment fees and costs are based on actual and estimated costs incurred during the 2021–22 Financial Year and are shown in the 'Fees and cost summary' on page 3.

Performance fees

We pay performance fees to investment managers who charge these fees if (and only if) the performance of their investment exceeds certain benchmarks. When this happens, performance fees are deducted from earnings before the return to PSS is calculated, and this increases Investment fees and costs.

We've carefully and deliberately designed our fee agreements with our fund managers to make sure they align with your interests, and two outcomes are possible:

- We pay less in fees when investment performance is below target. This means the investment manager more equitably shares the downside risk.
- We pay more in fees when performance is above target. Note, we set maximum performance-based fee limits for strong performance in any one year.

Actual performance based fees depend on the level of performance achieved by investment managers who charge performance-based fees, and the weighting of those managers in the relevant investment option.

In turn, our Investment fees and costs vary from year to year in line with the performance recorded by underlying fund managers.

In the 2021–22 Financial Year the following estimated performance fees were paid and are reflected in the Investment fees and costs estimates:

- Cash 0%
- Default 0.27%

It's worth noting that amounts previously paid in performance-based fees may not be indicative of performance-based fee amounts that may be payable in the future.

The Performance fee is calculated as the average performance fees for each investment option for the previous 5 years (or the number of financial years in which it operated or had a performance fee charging mechanism in place, if in either case it was less than 5 years).

We regularly review the estimates of performance-based fees that we reflect in PSS earning rates and we may change them, for example, because of changes to the:

- asset allocation;
- weighting and composition of underlying investments; and
- fees charged by underlying investments.

Transaction costs

Transaction costs are additional costs to PSS members and they are reflected in earning rates.

The total estimated transaction costs are based on actual and estimated costs incurred during the 2021–22 Financial Year and are shown in the 'Fees and cost summary' on page 3.

Operational risk reserve

We're required by the Australian Prudential Regulation Authority (APRA) to fund and maintain an operational risk reserve. The operational risk reserve may form an additional cost that has a minor negative impact on investment earnings.

For more information about the operational risk reserve, download the [Investment options and risk booklet](#) from our website.



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