



PSS Maximum Benefit Limit (MBL)

Background

PSS rules limit the total defined benefit amount that you can accrue, and when contributions can be made into your account. Your defined benefit amount is determined by your final average salary or FAS, multiplied by your accrued benefit multiple or ABM.

$$\text{PSS defined benefit} = \text{Final Average Salary} \times \text{Accrued Benefit Multiple}$$

This factsheet is for...

Contributing PSS members who are nearing or have reached their Maximum Benefit Limit (MBL).

Additional rules that aren't covered in this factsheet might apply to certain members. You should contact us for more specific information if you:

- reached your MBL before 1 January 2008 on a current or a previous PSS membership,
- have received or are entitled to receive an adjustment payment under the *Australian Federal Police Act 1979*, or
- would like to know more about how your MBL may affect your death or invalidity benefits.

Before you read this factsheet...

Any financial product advice provided in this factsheet 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. You should obtain a copy of the **PSS Product Disclosure Statement (PDS)** and consider its contents before making any decisions about your super.

What is in this factsheet?

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What is my MBL?

Your PSS MBL is the maximum amount of defined benefit (FAS x ABM) that you can accrue as a contributing member. Depending on your FAS, your MBL will be either a dollar amount or a multiple. MBL thresholds are adjusted in line with Average Weekly Ordinary Time Earnings* (AWOTE) on 1 July each year. How long it takes you to reach your MBL primarily depends on your PSS contribution rate and how long you've been a member.

*AWOTE is a measure of average earnings in Australia at a particular point in time, published twice a year by the Australian Bureau of Statistics.

Maximum Benefit Limits 2024–25

Average super salary	Maximum defined benefit
Less than \$89,000	\$890,000
\$89,000 and over	10 times average super salary

Your FAS is the average of your last three super salaries, unless you've been a member for less than 3 birthdays. In that case, we'll use your starting super salary, and any birthday salaries that have been reported. If you're made redundant, we'll apply a pro-rata calculation using your salary at your cease date.

Your ABM accrues based on the duration of your membership and your PSS contribution rate.



Your transfer amounts that became payable after 31 December 1995 and government contributions are not counted towards your MBL. Transfer amounts that became payable on or before that date will count towards your MBL.

Example 1

Bruce's average super salary is \$71,000. This means his MBL is \$890,000. Assuming Bruce's super salary doesn't change, he'll reach his MBL when his ABM is 12.53521 ($\$890,000 \div \$71,000$).

Example 2

Donna's average super salary is \$90,000, so her MBL is \$900,000 ($10 \times \$90,000$). She'll reach her MBL when her ABM is 10. If her average super salary increases to \$95,000 while she is contributing, Donna's MBL will increase to \$950,000 ($10 \times \$95,000$).

How will I know if I'm going to reach my MBL?

Your MBL can be calculated using the method above. You can compare your current ABM with the MBL applicable to your current average super salary to estimate if—or when—you'll reach your MBL. As a guide, the table below shows the annual ABM accrual for different contribution rates. You can multiply your average super salary by your ABM to calculate your defined benefit amount. Remember to allow for any periods of leave without pay that don't count as service, as your ABM doesn't accrue then.

Contribution rate	Annual ABM (first 260 CDDs)*	Annual ABM (Ten year rule satisfied)*
0%	0.11	0.11
2%	0.15	0.15
3%	0.17	0.17
4%	0.19	0.19
5%	0.21	0.21
6%	0.22	0.23
7%	0.23	0.25
8%	0.24	0.27
9%	0.25	0.29
10%	0.26	0.31

*The ten year rule refers to members who have contributed to PSS for 260 public service pay days or contribution due days (CDDs)—the equivalent of ten years' continuous employment. After the first 260 CDDs, if your contribution rate is more than 5%, your ABM accrues at a higher rate.

Example

Bruce's MBL is \$ 890,000 or an ABM of 12.5352113 (based on an average super salary of \$71,000). His last statement indicated his ABM was 9.85. He is currently contributing to PSS at a rate of 10% of his super salary, so his ABM is growing by 0.31 per year (based on full-time employment).

If Bruce continues to contribute at this rate, it will take him less than 9 years to reach his MBL of 12.5352113. However, Bruce should review his situation each July, as the PSS MBL thresholds are adjusted each financial year.

What happens if I reach my MBL?

Once you reach your MBL, you won't be able to make contributions to PSS, even if your salary increases further. Instead, you may choose to make contributions to a PSSap ancillary account or another fund of your choice. You should note that this won't allow your employer to make contributions on your behalf.

We monitor the records of all members who are approaching their MBL and we'll notify your employer when you reach it. They'll stop making member contributions on your behalf, and no longer pay productivity contributions. Your super salary will continue being reported to us each birthday until you cease eligible employment.

How does the MBL affect my benefit?

Your final defined benefit amount will depend on your FAS when you claim your benefit, not when you reach your MBL. Reaching your MBL will mean your defined benefit amount is either the MBL in effect at that time, or 10 times your FAS, depending whether your FAS is below or above the threshold (see table on page 2 for the current limits).

Example

Rebecca reached her MBL of \$695,000 in February 2017 with an average super salary of \$62,000. She decided to retire in July 2024, at which time the MBL rate had increased to 890,000 and her FAS was \$80,000. Rebecca was eligible to claim a benefit of \$890,000.

The MBL relates to your total defined benefit. If you've had your benefit reduced as a result of a family law settlement, your MBL still refers to your unreduced benefit. The same applies if you've claimed an early release of your super.

Associate benefits are not impacted by MBLs.

What if I reached my MBL during a previous membership?

If you reached your MBL during a previous period of membership, you'll remain an MBL member for any new periods of membership.

This means you won't be able to contribute to your PSS membership, and your employer won't pay productivity contributions. Your benefit will continue to grow in line with salary increases. Instead, you may like to consider contributing to a PSSap ancillary account or another fund of your choice, separate to your PSS benefit.

For more information about PSSap, please refer to our **PSSap ancillary membership** factsheet and the **PSSap Product Disclosure Statement (PDS)**.

You may also have the option to cease PSS membership (opt out) and join PSSap* or your employer's default fund. PSSap membership would allow your employer to pay 15.4% of your super salary** as employer contributions. For more information about opting out of PSS, please refer to our **Ceasing PSS membership** factsheet.

*You should contact your employer to check if you're eligible for PSSap membership. As a PSSap member you may be eligible to join another fund of your choice.

**Depending on the terms of your employment, employer contributions to PSSap may be based on your Ordinary Time Earnings.

^Our authorised financial planners are authorised to provide 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 advice, education and strategies.

What if I'm a former CSS member?

If you're a former CSS member, your ABM will include a CSS transfer multiple. This multiple will be counted towards your MBL.

Where can I get more information?

Our office is located at 7 London Circuit, Canberra City.

PSS customers can call us to book a concierge appointment at our Canberra shopfront.

EMAIL members.aps@contact.csc.gov.au

PHONE 1300 000 377

FAX (02) 6275 7010

MAIL PSS
GPO Box 2252
Canberra ACT 2601

WEB csc.gov.au



Personal financial advice

Before you make a decision about additional super contributions or opting out of PSS, we recommend you seek professional advice from a licensed financial planner.

CSC's authorised financial planners[^] provide a personalised service that takes your objectives, financial situation and needs into account.

For more information about this service, or to book your first advice appointment, call 1300 277 777 or visit csc.gov.au/advice



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