



**S17L-CSS**  
**03/04**

**Certificate in respect of an allowance for an employee undertaking prescribed employment during leave of absence without pay**  
***Superannuation Act 1976***  
**and Superannuation (CSS) Salary Regulations**

## Superannuation Act 1976 and Superannuation (CSS) Salary Regulations

FULL NAME

[illegible]

\* will, from

**D D M M Y Y Y Y**

be payable to the employee



**Commonwealth  
Superannuation  
Corporation**

- 1922 Scheme
- DFRB Scheme
- PNG Scheme
- DFSPB
- CSC retirement income

Insert full name

GIVEN NAME(S)

Reference number (AGS)

is in receipt of an approved allowance (describe briefly the allowance payable):

DESCRIPTION OF ALLOWANCE PAYABLE

that commenced,  
or will commence on

at the rate of

\$ per annum

Signature of person Delegated by CSC / Authorised by the CEO of CSC

SIGNATURE

Date signed

Title of position

## Notes

- An allowance in the circumstances of Item #1 is automatically salary under the *Superannuation Act 1976*, but the certificate is needed to confirm the receipt of the allowance for the requisite period. The certificate should be given *immediately following the completion* of the twelve months' period. If, for any reason, it is not given at that time, it should be given as soon as possible thereafter, whether or not the allowance has ceased.
- A certificate in accordance with Item #2 is a requirement of the Regulations for the allowance to be accepted as salary for the purposes of the Act. Such certificate **cannot** be given on a date after an allowance of a prescribed kind ceased to be payable.
- The completed certificate should be retained by the Department or Authority and must be forwarded, on request, to us. **If the certificate is still 'effective'**, e.g. is the allowance identified in the certificate still affecting the calculation of salary for superannuation, when the person ceases to be an eligible employee, it must be attached to the member's application for benefit (other than a **Cessation of Employment (resignation) benefit application**—form SR1—CSS).
- For comments on the meaning of '*likelihood*', '*continuous*' and '*effective*', please see the explanations below.

## Explanatory Notes—S542

### 'Recognised allowances'

Are those allowances, identified in the CSS (Salary) Regulations, that may be included as salary for superannuation purposes. Some allowances may be recognised immediately, while others can only be accepted after specified eligibility criteria and qualification periods have been satisfied. The CSS 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.

A Certificate based on '*likelihood*' will only increase benefit salaries in cases of death or invalidity retirement.

## ‘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 months’ period.

If an 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 Act, if the member has elected to reduce. Even if the member has not elected to reduce, 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, the member continues to pay contributions on the allowance, as varied from time to time, until one of the following occurs:

- an election is made by the contributor to reduce salary for superannuation purposes under Section 47 of the Act—such member should be formally advised of the effect of such an election on benefits;

or

- the member’s actual salary for superannuation exceeds the updated salary.

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’

Members whose actual salary drops below their contribution salary may elect to reduce either or both their:

- contribution rate—but only to the required minimum of 5 per cent of superannuation salary,

or

- contribution salary to a level reflecting their actual salary payment,

by completing the appropriate election on form **S8— Election to vary contribution rate or for a decreased salary to apply as salary for superannuation**.

Members contemplating an election to decrease their salary for superannuation purposes should be formally counselled on the immediate impact such an election will have on their benefit entitlements.

## How can I get more information?



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**End Form**



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