



PSS PIP notes

Invalidity notes – procedure for PSS Partial Invalidity Pension (PIP)



Commonwealth
Superannuation
Corporation

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Commonwealth Superannuation Corporation (CSC) ABN: 48 882 817 243, AFSL: 238069, RSE: L0001397

Defence Force
Retirement and Death
Benefits Scheme
ABN: 39 798 362 763

Australian Defence
Force Superannuation
ABN: 90 302 247 344
RSE: R1077063

Commonwealth
Superannuation Scheme
ABN: 19 415 776 361
RSE: R1004649

Public Sector
Superannuation
accumulation plan
ABN: 65 127 917 725
RSE: R1004601

Military Superannuation
and Benefits Scheme
ABN: 50 925 523 120
RSE: R1000306

Australian Defence
Force Cover
ABN: 64 250 674 722

Public Sector
Superannuation Scheme
ABN: 74 172 177 893
RSE: R1004595

1922 Scheme
DFRB Scheme
PNG Scheme
DFSPB
CSC retirement income

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1. Introduction

1.1 Decision maker and legislation

The *Superannuation Act 1990* provides that Commonwealth Superannuation Corporation (CSC) may approve payment of a Partial Invalidity Pension (PIP) in certain circumstances. The provisions for PSS PIPs can be found in the *Schedule of Rules at Part 05 payments relating to benefits 16.3*.

comlaw.gov.au/Details/C2012C00563/Html/Text#_Toc330992583

1.2 CSC and Casework Services

CSC is responsible for the administration of the superannuation schemes available to Commonwealth and Military employees. We provide legislative and administrative advice and support to employers and members of the schemes.

Our Casework Services team conducts investigations into applications for invalidity retirement, pre-assessment payments and partial invalidity pensions. They also investigate members' medical status on entry to the schemes, entitlement to Additional Death and Invalidity

Cover claims and determine any reductions for health reasons to the benefits payable on invalidity retirement or death.

1.3 What is the aim of this guide?

The information in this guide will enable you to correctly complete all forms and present comprehensive applications for the consideration of the Delegate.

2. All about PSS PIPs

2.1 What is a PSS PIP?

PSS PIP is paid as a salary supplement when a member of PSS incurs a permanent decrease in salary because a non-compensable medical condition causes the member to be redeployed to a lower level or to work reduced hours, or a combination of both. A loss of recognised allowances for medical reasons may also attract a PIP. It is also payable in circumstances where an invalidity pensioner returns to work in a position where the annual salary is less than the equivalent of the annual salary they received when they retired on invalidity grounds.

2.2 Important note: a separate benefit

PSS PIP is a separate supplementary benefit designed to assist ill or injured employees to remain at work in modified situations for as long as possible. It is not deducted from any future superannuation entitlements.

2.3 PSS PIP rate

PSS PIP payable varies with each member. It is calculated as a proportion of the difference between the previous higher salary and the decreased salary. PSS PIP does not pay the whole decrease in salary. The formula provided in the legislation is:

$$\frac{\text{Invalidity Pension Rate}}{\text{Average Salary before Decrease}} \times \text{Salary Decrease}$$

where:

Invalidity Pension Rate is the rate of pension that would have been payable if he/she had retired on invalidity grounds on the day before the date of the decrease and had chosen to take his/her whole benefit as pension and

Average Salary before Decrease is his/her average salary on the day before the date of the decrease and

Salary Decrease is the decrease in basic salary and/or recognised allowances.

The salaries to be provided are the real salaries as per the agency's workplace agreement, at the time of the reduction in level or hours. Salaries should not be calculated using AWOTE.

We will calculate the proportion, using the information on the employee's superannuation record.

This proportion should never be changed except on our instruction.

2.4 Calculating the fortnightly PSS PIP rate

PSS PIP is salary based and is therefore calculated on a 10 day cycle as used in agency payroll systems.

When a PSS PIP is approved, we will perform the calculation to obtain the initial rate of PSS PIP. From this, the employer will calculate a fortnightly rate using their salary system. The daily rate will then be one tenth of the fortnightly rate.

2.5 Important note: PSS PIP is a daily salary supplement

PSS PIP is a daily supplement to compensate for salary loss. Regardless of the modifications for individual employees, for example, working part-days or not working certain days of the week, the PIP is paid as a daily rate, not just on the hours or days the employee is not at work.

2.6 Higher Duties Allowance (HDA) in the PSS PIP calculation

HDA is included in the former higher salary when calculating the initial rate of PIP, to reflect the actual/true loss of salary at the time of the reduction in hours/level, at the discretion of the PSS Delegate. The employer should include advice on the duration of any HDA, as well as the HDA and normal salary amount in the application.

However, when an employee is already receiving PIP and becomes entitled to HDA, the HDA is applied to the decreased salary only, not to the former higher salary. This will properly result in a lower rate of PIP payable, as the decrease in salary is less.

2.7 Increments

Increments are applied differently depending on the employee's circumstances.

If the employee is working reduced hours but still at their normal level, any increment would be applied to both their previous and lower salary. This would result in little or no change to their rate of PSS PIP payment.

If the employee is redeployed, the increment is only applied to their lower salary. This would correctly result in a lesser rate of PSS PIP payable.

2.8 Payment responsibility

PSS PIP is paid by the employer through the normal salary system.

The employer will be reimbursed the PIP payments after lodging a reimbursement claim. Claims for reimbursements are covered in a later section (see **Contents**).

2.9 Formula for changes to the rate of PSS PIP payable

On approval of PIP, the employer is given a simplified formula for calculating a new PIP rate when changes are necessary:

Proportion X Difference = \$ annual gross PIP

Where the factors are:

Proportion (Invalidity pension rate divided by Average Salary) as calculated by PSS

and

Difference (loss of salary) which is the former higher salary minus the lower decreased salary.

2.10 Occasions when the PSS PIP rate is varied

PSS PIPs must be adjusted by the employer when the employee's salary or former salary changes because of:

- pay increases at either the employee's current or previous positions
- salary increases due to increments, promotions, higher duties or any other allowance which is accepted as salary for superannuation purposes.

If there is an agency salary increase, the employer recalculates the PSS PIP rate by inserting the new salaries into the formula. If the increases apply to both the old and the decreased salary, there should be no or very little change to the PSS PIP rate.

If the PIP recipient works more hours or receives HDA, the employer must insert the new salary into the decrease salary section of the formula, which will result in a decrease in the PSS PIP rate. Refer also to the section about HDA on the previous.

The employer does not need to advise PSS of these adjustments as they will be evident when the employer lodges their reimbursement claim form.

2.11 Important note: PSS PIP increases must be approved

The employer cannot increase the rate of PIP without approval from us, (other than adjustments for pay rises). If the employee's circumstances change so that an increased rate of PIP is required, the employer must submit a new claim, with supporting medical evidence and administrative details. See Contents for section on PIP reviews.

2.12 Important note: PSS PIP and leave at half pay

When an employee takes leave at half pay, there are some occasions when PSS PIP is ceased and some where it is paid at half normal rate. **Appendix F** contains examples of the different effects of leave and leave taken at half pay on PSS PIP payments. Long service leave, annual leave and maternity leave are all affected in the same way (see **Appendix F**).

2.13 Occasions when PSS PIP is ceased

PSS PIPs must cease when:

- the employee's salary becomes equal to or greater than the salary applicable before the reduction occurred
- or
- the medical circumstances no longer apply
- or
- the employee ceases to be a member of PSS
- or
- the employee subsequently becomes entitled to compensation payments for the same condition causing the decrease in salary.

PSS PIPs must be **suspended** when the employee takes leave without pay that is not sick leave without pay, and for periods of fully paid leave.

PSS PIPs will be **stopped** if the employee fails to comply with directions from us, such as requests to provide medical evidence, or to attend or continue a program of rehabilitation.

This stoppage must only occur on our instruction.

2.14 Important note: PSS PIP and age 60 and 65

PSS PIP does not cease when the employee in receipt of PIP reaches age 60 or 65. However, an employee over age 65 is not eligible to apply for PSS PIP.

2.15 Status for PSS PIP – formal and informal

The employment status of the employee applying for PSS PIP must be decided prior to the PIP application being forwarded to us so that the application can be decided under the correct rule.

The different types of employment status are:

- **formal redeployment** – the employee is permanently, and by departmental instrument, redeployed to a lower position
- **informal redeployment** – the employee is permanently but not officially redeployed to a lower position
- **formal reduction in hours** – the employee signs a part-time contract to permanently reduce their working hours and to become a Permanent Part-time Employee (PPTE)
- **informal reduction in hours** – the employee remains a full-time employee but informal arrangements are made to work reduced hours on a permanent basis.

2.16 Important note: status is a matter for negotiation

The employment status is a matter to be negotiated between the employer and employee based on their agency's workplace agreement. We have no involvement in the choice of status.

The employee must be provided with information about the effects of their choice of status on their contributions, benefits and leave accrual/disbursement prior to the status negotiation.

They should be provided with a copy of the summary of effects at **Appendix B**.

2.17 Effect of PSS PIP on contributions

For redeployments:

- **Employees who are formally redeployed** and in receipt of PIP pay contributions based on the decreased salary from the next birthday after their partial invalidity pension is approved.
- **Employees who are informally redeployed** and in receipt of PIP continue to pay contributions based on their higher salary.

For reduction in hours:

- **Employees who sign contracts** to become PPTE and are in receipt of a partial invalidity pension (formal part-timers) pay contributions based on their decreased salary from the next birthday after the partial invalidity pension is approved.
- **Employees who remain classified full-time** but work part-time hours and are in receipt of a PIP (informal part-timers) pay the rate of contributions applicable to the updated full-time salary, even though they are not in receipt of that salary.

2.18 Effect of PSS PIP on future benefits

For redeployments:

- **Employees who are formally redeployed** and in receipt of PIP will have no changes to the accrual of their total equity and their future benefits will still be calculated using updated higher salary and FT multiple.
- **Employees who are informally redeployed** and in receipt of PIP will have no changes to their future benefit accrual – these benefits will still be calculated using updated higher salary and FT multiple.

For reduction in hours:

- **Employees who are formally classified as PPTE** will have no changes to the accrual of their total equity and their future benefits will still be calculated using updated higher salary and FT multiple. This is a special circumstance for employees in receipt of PSS PIP and is not the case where any previous reduction in hours was not for medical reasons. **Employer and productivity contributions for PPTEs in receipt of PSS PIP must continue to be paid on the higher salary.**
- **Employees who remain classified as full-time employees** but work reduced hours and are in receipt of PSS PIP (informal part-timers) will have no changes to their future benefit accrual – these benefits will still be calculated using updated higher salary and FT multiple.

2.19 Effect of PSS PIP on leave

For redeployments:

- **Employees who are formally redeployed** and are in receipt of PSS PIP will have no changes to their conditions of service in relation to accrual of their leave. When they take this leave, they will still be incurring a decrease in salary because they are being paid at the lower level, and the PSS PIP will still be payable.
- **Employees who are informally redeployed** and are in receipt of PSS PIP will have no changes to their conditions of service in relation to accrual of leave. When they take this leave, they will not be incurring a decrease in salary because they will be paid at their substantive level and the PSS PIP must cease for the duration of that leave.

For reduction in hours:

- **Employees who are formally classified as PPTE** (formal part-timers) will begin to accrue sick and other leave at the part-time rate from the date of effect of their contract. When this pro-rata leave is taken, they are still incurring a decrease in salary and the PSS PIP will still be payable. Sick leave accrued previously at the full-time rate must be disbursed at the part-time rate and PSS PIP continues to be paid during that leave. Other leave accrued at the full-time rate can be disbursed according to the agency's workplace agreement – if it is allowed to be taken on full pay, the PSS PIP must cease for the duration of that full pay leave; if it is disbursed at the part-time rate, the employee is still suffering a decrease in salary and the PSS PIP is still payable.
- Employees who remain classified as full-time employees but work reduced hours (informal part-timers) and are in receipt of PSS PIP will have no changes to their conditions of service in relation to accrual of leave. When they take this leave, they will not be incurring a decrease in salary because they will be paid at their full-time rate and the PSS PIP must cease for the duration of that leave. Employees in this informal part-time status must use all accrued sick leave before they are eligible to be paid PSS PIP. Employees in this informal part-time status working in agencies who have unlimited sick leave arrangements will not be eligible for PSS PIP unless they convert to PPTE.

When their new sick leave credits are accrued, PSS PIP must cease and these new sick leave credits must be used before the PSS PIP can be recommenced.

PSS PIP must cease for these informal part-timers on all leave where they are paid full pay, including public holidays.

The principle to be applied is that the employee must not be paid PSS PIP when they are receiving full pay, because they are not incurring a loss in salary.

3. Eligibility

3.1 Persons eligible

PSS PIP may be paid to:

- PSS regular members who were invalidity pensioners and have been re-employed at a lower-paid level than the level held prior to invalidity retirement.
- PSS regular members who have suffered a permanent salary decrease, including the loss of a recognised allowance, because a medical condition has caused them to work reduced hours, be redeployed to a lower-paid position, or a combination of both.

3.2 Persons not eligible to apply for PSS PIP

Persons who are not eligible for PSS PIP are:

- casual members or re-employed invalidity pensioners who were casual members at the time of their retirement.
- Limited Benefits Members (LBM), or members who would have been LBM if they had not failed to disclose medical evidence on entry to the scheme. Employees in this category must incur another decrease in salary after their LBM period expires in order to qualify for a PSS PIP.
- members who are receiving compensation payments for the condition which is causing the decrease in salary. Compensation in this instance means regular, on-going payments, but does not include third party payments or Military compensation.
- members who have reached maximum retiring age (age 65).

3.3 Important note: graduated return to work

PSS PIP is generally not payable to an employee on a graduated return to work until their modified situation becomes permanent.

3.4 Important note: no approval in advance

The employer may submit an application for PSS PIP for consideration of our Delegate, prior to the date of reduction in level/hours for health reasons. However, our Delegate cannot approve a PSS PIP in advance of the salary decrease, and must wait until the day of the decrease before formally making a decision.

3.5 Backdating the start of PSS PIP

PSS PIP will be granted from the date our Delegate is satisfied that the employee began to incur a permanent loss of salary for health reasons. In most cases this date will be:

- for PPTes – the date of effect of the part-time contract which establishes the permanent pattern of hours for which PSS PIP is being sought
- for informal part-timers – the date on which all sick leave credits have been used after the beginning of the permanent pattern of part-time hours for health reasons
- for formal and informal redeployments – the start date of the reduction in level for health reasons.

Any backdating beyond the above dates would be unusual and would be considered on a case-by-case basis. For instance, where there have been later temporary increases in hours, our Delegate would look at issues such as rehabilitation aims and outcomes, reasons for failure of attempted increases in hours, etc.

In general, there is no backdating beyond the date established as the beginning of a permanent and stabilised pattern of hours/level unless the delegate decides that the circumstances of a particular case are exceptional.

4. Lodging an application for PSS PIP

4.1 Pre-application strategies

Redeployment or reduction in hours is a significant modification to the employee's working life. It's expected that all other avenues of management should have been attempted to retain the employee in their usual or full employment prior to an application for PSS PIP. The optimum management would be for employers to engage a case manager and rehabilitation provider to assist the employee with relevant strategies, such as:

- appropriate leave to allow adequate recovery time
- health assessments by appropriate specialists
- any treatment or strategy recommended by those specialists
- workplace assessments
- daily living assessments
- functional capacity assessments
- vocational assessments
- neurological or psychological testing
- counselling/employee assistance programs
- pain management programs
- work conditioning and retraining
- graduated return to work programs.

4.2 Documents required

When a deployment or reduction in hours has occurred, we need to be notified immediately so that assessment of eligibility for PIP can be undertaken. We will also seek information from employers twice yearly about staff who have experienced a reduction in hours or classification as the result of health reasons. The following documents are required to support an application for PSS PIP for redeployed or reclassified employees are.

Departmental case summary

The covering letter should include a brief summary of the department's management of the employee's medical situation, with comments on the results of the action taken.

Partial invalidity pension (SPP) form

This form is the official application form and is available on the Employer Administration Centre website eac.csc.gov.au in the Forms section.

The employee must read the Information for members carefully before signing and dating the declaration on the application form.

The employer must read the Instructions for employers carefully before completing all sections of the application form. Every box must be filled in with the correct details and all questions must be answered.

The correctly authorised departmental delegate must sign and date the employer's declaration.

Treating doctors and specialist reports

Medical reports should be from treating doctors or specialists who are managing the conditions for which the employee is applying for PSS PIP.

The reports should be up-to-date, not more than six months old and be the result of the most recent examination or consultation.

Reports should address all issues listed in the **Helpsheet** in the following section.

Any earlier reports from these treating practitioners should also be included for background information.

Rehabilitation reports

Reports from rehabilitation providers should include details of all rehabilitation or retraining attempts and the positive and negative results.

If no rehabilitation assistance was offered, reasons should be given.

Examining medical officer's report

The medical examination for PSS PIP applications must be conducted by an independent specialist who is not the employee's specialist, and who is suitably qualified in the field of the medical condition, or an Occupational Physician.

There is no official medical reporting form for PSS PIPs (no Medical examination report for invalidity retirement (**SM2**) form).

The medical examiner's role is to document the employee's medical condition, the effect of the condition on their ability to work, and to recommend suitable work modifications, whether the modification is permanent, and when the medical condition should be reviewed. The medical examiner must address all issues listed in the **Helpsheet** in the following section.

The medical examiner may say that the medical criteria for PSS PIP are satisfied, but they do not have the authority to say whether or not the PSS PIP should be approved, as there are administrative criteria to also be considered.

The legislation does not specify that this medical examination must be conducted by an approved medical practitioner (AMP), however, an AMP is often the best choice of provider because they are familiar with the medical criteria for PSS PIPs and may be less expensive – they will charge you a set rate as specified on their contract with CSC, if you ask.

The full list of AMPs and their contact details can be found at: eac.csc.gov.au/your-responsibilities/invalidity/

Determination/contract or departmental statement

Please read the explanation about status for PSS PIP in a preceding section (refer to Contents) to choose the correct segment in the following list for your employee's situation.

- **If the employee was formally redeployed** to a lower position, the appropriate departmental delegate must sign the instrument of redeployment, include the employee's acceptance and signature, and add a copy of this document to the application papers.
- **If the employee was informally redeployed** to a lower position, the appropriate departmental delegate must sign a statement outlining the modified employment circumstances, include the employee's acceptance and signature, and add a copy of this document to the application papers. A suggested form of words is attached at Appendix C.
- **If the employee formally reduced their hours**, the appropriate departmental delegate must sign and execute the part-time contract. The contract should be fully completed, showing part-time hours, date of effect and reasons for the reduction in status to PPTE. The employee's acceptance and signature should also appear on the PT contract. A copy of the contract should be included in the application papers.
- **If the employee has informally reduced their hours**, the appropriate departmental delegate must sign a statement outlining the modified employment circumstances, detailing the new PT hours, date of effect, and salary details at the time of the reduction. The employee's acceptance and signature should be included on the statement, and a copy of this document added to the application papers. A suggested form of words is attached at **Appendix D**.

HDA – payroll advice of duration of HDA, HDA salary and normal salary.

CMAFS form

The **CMAFS** which was completed by the employee on entry to PSS must be included if the application is from an employee who has less than three years membership in PSS, and if this document is in the possession of the agency's Payroll section. If the employee is/was made a LBM, they are not eligible for a PSS PIP and will not be eligible until they incur another decrease in salary for health reasons after their LBM period has expired.

If the employee has not completed a CMAFS, advice to this effect, and the reason for non-completion, should be included in the departmental summary.

Sick leave history

- Sick leave records should be provided for the past two years or relevant period.

Duty statement

- If the employee has been redeployed, provide copies of the duty statements for both the former and new positions.
- If the employer has reduced their hours, provide a copy of the duty statement for their normal position.
- If no duty statement exists, provide a description of the duties usually performed in the positions.

If the employee is not performing all the duties of the position, provide a list of those duties not being performed, with reasons for inability/failure to perform.

4.3 Helpsheet – application for PSS PIP – points to be addressed by doctor

Helpsheet: points to be addressed by doctor

Mr/Mrs/Ms _____ is undergoing this medical assessment as part of his/her application for a Partial Invalidity Pension (PIP).

Please address and elaborate on all the following points in your report:

- **history of the condition(s)**
 - date of first consultation
 - history as recorded in medical notes.
- **current symptoms/signs**
 - as described by the employee
 - as observed by you at presentation.
- **diagnosis**
 - including the severity of the condition
 - whether the condition is transitory or long-term.
- **treatment**
 - current medications, physical therapy, psychotherapy and your comment on their effectiveness
 - your comments on the results of any tests conducted
 - a description of any additional treatment which you would recommend and your opinion about the likely results of those treatments.
- **prognosis**
 - normal course of this illness/disease/injury
 - expected outcome in this case.
- **effects of the condition(s) on the employee's ability to work**
 - confirm if the employee is capable of performing the duties of his/her usual occupation
 - the employee could perform his/her usual occupation if they modify their duties or if they reduce their working hours
 - if so, please recommend suitable duties or working hours and the spread of those hours over a working fortnight (e.g. Mon, Wed, Fri)
 - confirm if this modified situation (modified duties/reduced hours) is likely to be permanent.
- **additional information**
 - the employee's medical condition in your opinion the only reason that their working conditions need modification, please explain further
 - what degree do any other factors impact on their work capacity (%)
 - the date you believe these modified working arrangements became permanent
 - include the date when the employee should have his/her next medical review.

Thank you.

4.4 Case presentation

Applications for PSS PIPs will be processed with fewer delays if you:

- preface all applications with a departmental covering letter containing a summary of the circumstances of the case
- present the fully completed application form SPP as the first document in the submission. Our Records Management can then quickly identify the subject and forward the submission to the correct area
- present the evidence collated in chronological order – earliest to latest, not file order, and not grouped in divisions such as specialists' reports, rehab report etc.
- present all copies of evidence in legible black print on white background, single-sided, loose-leafed, held together by a bulldog clip – not stapled or bound in any other way
- do not annotate the evidence by numbers and do not use tabs unless you are drawing our Case Manager's attention to a particular document referred to in your covering letter.
- despatch the case in an envelope clearly addressed to:
Casework Services
CSC
GPO Box 2252
Canberra ACT 2601.

5. Summaries

5.1 Medical and administrative criteria

The main criterion for approval of PSS PIP is: **permanent decrease in salary attributable to physical or mental incapacity**. In other words, there are both medical and administrative criteria to be met before PSS PIP can be approved. It is possible that the employee could meet the medical criteria but not the administrative criteria.

Medical evidence must indicate that the medical conditions causing partial incapacity are permanent and that suitably modified duties or hours are necessary because of the medical condition.

Administrative criteria require that the employee must be formally or informally redeployed or formally or informally reclassified to part-time status.

Miscellaneous

PSS PIP is paid by the employer through the agency's payroll system.

PSS PIP must cease if the employee is granted compensation for the same condition. Compensation means regular on-going payments: it does not include third party lump sums or Military compensation.

PSS PIP ceases when the employee is on LWOP (except SLWOP), on reaching former salary, on exit from PSS, or when any full-time leave payments are made.

5.2 Eligibility summary

The employee is eligible for PSS PIP if:

- they are a reappointed invalidity pensioner
and
- their basic (annual) salary and recognised allowances on reappointment is less than the updated former salary
and
- the decrease in salary is permanent
and
- the decrease in salary is attributable to a physical or mental incapacity.

The employee is not eligible for PSS PIP if:

- they are receiving compensation payments for the condition
- they are a LBM. These members will not be eligible for PSS PIP unless they incur another decrease in salary for health reasons after their LBM period expires.
- they are not a regular member.

The employee may be eligible for PSS PIP if:

- they have incurred a decrease in actual salary
and
- they are working reduced hours or in a lower position
and
- the reduction in hours or status is permanent
and
- the reduction is attributable to a physical or mental incapacity.

5.3 Summary of effects of PSS PIP

On formal redeployment to a lower level or formal reclassification from full-time to PPTe:

Contributions: contributions will be reduced to the level applicable to the lower salary on the birthday after the PIP is approved.

Benefits: total equity will not be affected and future benefits will be calculated based on the updated higher salary and using the full-time multiple. Years of membership will still accrue at the full-time rate. Prospective service will also be calculated at the full-time rate.

Sick leave: no change to formally redeployed employees. PPTes will accrue sick leave at the part-time rate from date of effect of their contracts.

Annual/other leave: no change for formally redeployed employees. PPTes will accrue leave at the PT rate from date of effect of their contracts.

PSS PIP is payable while these employees are on leave which is paid at the decreased salary rate.

On informal redeployment or informal reduction in hours from full-time:

Contributions: no change for informally redeployed employees or informal part-timers, who will continue to pay contributions on the higher salary, although not in receipt of that salary.

Benefits: no change for informally redeployed employees or informal part-timers.

Sick leave: no change in accrual for informally redeployed employees. PSS PIP ceases and new sick leave credits must be used before PIP payments recommence. No change in accrual for informal part-timers. All accrued sick leave must be used before PSS PIP is payable. When new sick leave is accrued, PSS PIP must be ceased until all credits are used.

Other leave: no change for informally redeployed employees. PSS PIP ceases for the duration of any leave accrued and paid at the former level. Informal part-timers accrue leave at the full-time rate so PSS PIP ceases when leave is taken, including public holidays.

Miscellaneous: PSS PIP is paid by the employer through their payroll system, who then claim reimbursement from us. PSS PIP must cease if the employee is granted compensation for the same condition. PSS PIP ceases when the employee takes LWOP which is not SLWOP, on reaching former salary, on exit from PSS OR when any full-time leave payments are made.

5.4 Part-time to part-time and in receipt of PSS PIP

Employees who are PPTes and then further reduce their hours for health reasons must sign a new part-time agreement. The effects for PPTes receiving PSS PIP are:

Contributions: contributions will be reduced to the level applicable to the lower salary on the birthday after the PIP is approved.

Benefits: future benefits will be calculated based on the updated original part-time salary using the original part-time multiple. Years of membership will still accrue at the original part-time rate. Prospective service will also be calculated at the original part-time rate.

Sick leave: will be accrued at the new part-time rate from the date of effect of their contracts.

Annual and other leave: will accrue at the new part-time rate from the date of effect of their new contracts.

6. PSS PIP reviews

6.1 PSS PIP medical reviews

Employees receiving PSS PIP are medically reviewed for fitness for continued duty and to determine whether their entitlement to PSS PIP should continue or be varied.

We will advise employers when a review is due; however, there will be no requirement for a medical assessment of these employees as part of the review unless there has been a change in their situation.

6.2 Timing of PSS PIP reviews

The timing of the medical reviews is at our discretion. Our delegate will usually set the first review one year after the PIP approval.

If the employee's situation has remained stable, our Delegate will not ask for a medical assessment to be undertaken.

However, if the employee's situation has changed, our Delegate will require that the member attend a medical review.

We will advise both the employer and employee of any change to the PSS PIP rate of payment arising from this review.

6.3 Important note: medical review may be arranged earlier

It is not necessary to wait for our Delegate to arrange a PIP review if the employee's medical condition improves or deteriorates. An earlier medical review may be instigated by either the employer or the PIP recipient themselves.

6.4 Important note: PSS PIP increases must be approved

Sometimes, changes in level/hours occur at times other than during the PIP review.

If the change recommended by the employee's treating doctor/specialist and accepted by the employer results in a decrease in the rate of PIP payment, the employer may decrease the PIP rate without advising us. The decrease in rate will be evident on their next claim for reimbursement.

If the change recommended by the employee's treating doctor/specialist would result in an increase in the rate of PIP payable, the employer must obtain our approval for this increase before PIP payments can be altered.

The employer should apply for the PIP increase by providing the same documents and information required for a full review (see section above).

6.5 PSS PIP review helpsheet

Helpsheet: points to be addressed by your doctor

Mr/Mrs/Ms_____ is undergoing a **medical review** to determine whether his/her **partial invalidity pension should continue or be varied**.

Please address and elaborate on all the following points in your report:

history of the condition(s)

- since last review/consultation
- history as recorded in medical notes.

current symptoms/signs

- as described by the employee
- as observed by you at presentation.

diagnosis

- including the severity of the condition
- whether the condition is transitory or permanent.

treatment

- current medications/physical therapy/psychotherapy and your comment on their results
- your comments on the results of any tests conducted
- a description of any additional treatment which you would recommend and your opinion about the likely results of those treatments.

prognosis

- normal course of this illness/disease/injury
- expected outcome in this case.

effects of the condition(s) on the employee's ability to work full-time/at level

- confirm the employee's existing modified duties or reduced working hours are suitable to manage their medical condition (Please note: in this statement the employee's present modified working hours/duties)
- if not, the employee could continue working if additional modifications were made
- to their working hours or duties. If so, please recommend suitable duties or working hours and the spread of those hours over a working fortnight (eg Mon, Wed, Fri)
- the employee's medical condition, in your opinion, is the only reason that their working conditions need modification
- what degree do any other factors impact on their work capacity (%)
- include the date when the employee should have his/her next medical review.

Thank you.

6.6 Responsibility for payment for reports

The employer is responsible for payment for medical assessments and reports for both applications for and review of PSS PIPs. The employer uses the agency's allocated vote from Consolidated revenue for these payments.

We would pay for any reports the delegate might request which are additional to those normally expected for a PSS PIP review.

6.7 Summary for PSS PIP reviews

Employees in receipt of PSS PIP are periodically reviewed. The timing of these reviews is determined by our Delegate.

Employers or PIP recipients may commence a PIP review before the set review date, if the employee's circumstances have improved or deteriorated.

Any change which would result in an increase of PSS PIP must first be approved by our Delegate.

Medical assessment for PSS PIP reviews should be conducted by an Occupational Physician. Employers are responsible for arranging and paying for the review assessment.

PSS PIPs will be ceased if the employee's state of health no longer causes partial incapacity.

PSS PIP payments will be stopped if the employee fails to comply with directions to attend PIP review assessments or rehabilitation.

7. PSS PIP Reimbursements

7.1 General

We will provide reimbursement of PSS PIP on receipt of written or emailed request from the employer.

Reimbursement claims must be submitted on correctly completed reimbursement claim forms (automatic calculator) which can be found at: eac.csc.gov.au/your-responsibilities/invalidity/

The calculator must not be corrupted or manipulated to include data in any other format than that specified on the form. Examples of the correct method of completing the claim forms can be found at **Appendix E**.

Employers should read the information at **Section 2 All about PSS PIPs**, in particular the sections about the occasions when PSS PIP must be varied, the formula for calculating the variations, the application of HDA and increments, leave at half pay, etc. (see **Contents**).

7.2 Important note: tax invoice

A tax invoice must be submitted with the PSS PIP reimbursement claim.

7.3 Timing of reimbursements

Employers should claim reimbursement of PSS PIP at six monthly intervals, particularly for employees on informal arrangements, where there are many entries on the claim form.

7.4 Overpayments

Overpayments of PSS PIP will be recovered.

7.5 ACT Government arrangements

The ACT Government has a cost-sharing arrangement with the Commonwealth Government for PSS benefits, including the payment of PSS PIPs. Under this arrangement, the ACT Government is required to meet the costs arising from superannuation membership for the period commencing 1 July 1989. Therefore, we do not provide reimbursement for PSS PIPs to ACT Government departments.

8 Contact details

Mail:

Casework Services CSC
GPO Box 2252
Canberra ACT 2601

Telephone:

PSS: 1300 000 377

Fax:

02 6272 9815

Email:

caseworkservices@csc.gov.au

9 Appendices:

Appendix A: handout for employees

Notes on PSS Partial Invalidity Pensions (PIP)

What is a PSS PIP?

A PSS PIP is a payment made to eligible members who have incurred a permanent decrease in salary because of a medical condition.

Am I entitled to a PSS PIP?

If you are a regular PSS member who was an invalidity pensioner and you have been re-employed at a lower-paid level than the level held prior to invalidity retirement, you may be eligible for a PSS PIP. You may be eligible for a PSS PIP if your salary has been permanently decreased because you have been redeployed to a lower position or you have reduced your hours, or a combination of both situations, for health reasons.

Who is not entitled?

Members who will not be eligible for PIP's are:

- casual members or re-employed invalidity pensioners who were casual members at the time of their retirement
- limited benefits members or members who would have been limited benefits members had they not failed to disclose medical evidence on entry to PSS
- members who are entitled to receive compensation payments for the condition which is causing the decrease in salary
- members who have reached maximum retiring age (age 65).

How do I apply for PIP?

- You should approach your case manager or personnel officer to arrange medical assessments and collection of medical reports for your application.
- You must read the information and sign the declaration on the Partial invalidity pension (**SPP**) form. You will find this form on the EAC website at eac.csc.gov.au
- Your employer must complete all boxes and questions about your personal and employment details.
- You must provide current medical reports, not more than six months old and resulting from your most recent examination by the doctor or specialist treating you for the condition for which you are applying for PSS PIP. The reports must address the issues on the attached Helpsheet. If you have any other reports, you should also include these as background material.
- Your employer must arrange for you to be assessed by an independent specialist who is not your treating specialist, or by an Occupational Physician.
- Your employer must also provide the details and results of any rehabilitation or retraining which you have attempted.
- Your employer will also need to provide copies of the instruments or declarations which changed your working arrangements, such as redeployment instruments or part-time contracts and advice about any current HDA.
- Your employer must include copies of your sick leave history for the past two years or relevant period, your Confidential Medical and Personal Statement (CMAPS form) if you have less than three years membership in PSS and your duty statement or description of your duties.

I am reducing my hours. Should I sign a permanent part-time contract?

It is not necessary for you to sign a contract to formally become a Permanent Part-time Employee (PPTE) in order to be eligible for payment of a partial invalidity pension. However, your choice of part-time status will result in different effects on your contributions, future benefits, and leave accrual and disbursement. You must make your choice of part-time status prior to your application for PSS PIP so that we can make a decision under the correct rule.

What is the effect on my contributions?

- If you remain a full-time employee but work part-time hours and are in receipt of a PIP (informal part-timers) you will continue to pay the rate of contributions applicable to your full-time salary, even though you are not receiving that salary.
- If you sign a contract to become a PPTE and are in receipt of a PIP (formal part-timers) you will pay contributions based on your decreased salary from the next birthday after the PSS PIP is approved.
- If you are informally redeployed you will continue to pay contributions based on your higher salary.
- If you are formally redeployed you will pay contributions based on your decreased salary from the next birthday after the PSS PIP is approved.

What is the effect on my future benefits?

For PSS members who are in receipt of a partial invalidity pension, future benefits are calculated using the previous multiple and updated previous salary.

This includes members who have formally become PPTE – their future benefits are calculated as if they had continued to work at their previous hours; that is, using the previous multiple and updated previous salary. Please note that this is a special circumstance for members in receipt of a partial invalidity pension and is not the case where the reduction in hours was not for medical reasons. In addition, employer and productivity contributions must continue to be paid on the higher salary.

What is the effect on my leave?

If you are an informal part-time employee, you must use all your accrued sick leave before you can receive a PSS PIP. When you accrue new sick leave credits your PSS PIP will cease until you have used all these credits. The PSS PIP would also cease if you take any leave on full pay and on public holidays. This is because your leave will still accrue at the full-time rate and when you take it you are not incurring a loss in salary.

If you become a formal PPTE you will continue to be paid your PSS PIP whilst on leave, as your leave will accrue at the part-time rate from the date of effect of your contract. Previously accrued sick leave will be disbursed at the part-time rate so PSS PIP is paid to you continuously, except if your employer allows you to take previously accrued annual or other leave on full pay.

The principle to be applied is that you are not entitled to PSS PIP when you are receiving full pay because you are not incurring a loss in salary.

Will I have to be reviewed?

You will be medically reviewed periodically to determine whether your entitlement to PSS PIP should continue or be varied.

Your first medical review will usually be scheduled for one year after your PSS PIP was approved. If your work situation is unchanged, you will not be required to attend a medical assessment. You or your employer may initiate medical reviews if you feel that your medical condition has improved or deteriorated.

If your medical review recommends additional changes to working arrangements which would result in a further decrease in salary and an increase in PSS PIP, your employer must obtain new approval from us prior to any variations to payment.

What is paid?

The PSS PIP is a proportion of the difference between the higher and decreased salary. This proportion is calculated by us. It is not the whole amount of your salary loss.

How is the PIP paid?

Your PSS PIP will be paid by your employer through the payroll system. Your employer will then make regular reimbursement claims to us.

When is the PIP varied?

Your PSS PIP would be adjusted if your salaries or former salaries change because of pay increases, salary increases due to increments, promotions, higher duties or any other allowance which is accepted as salary for superannuation purposes. For example, if you work more hours or receive HDA, the employer will recalculate the reduced rate of PSS PIP payable to you.

When does PIP cease?

- Your PSS PIP will cease if your decreased salary becomes equal to or greater than the update of your salary before your decrease, or if your medical circumstances no longer apply, or you cease to be a PSS member, or later become entitled to compensation payments for the same medical condition.
- Your PSS PIP would be suspended when you took leave without pay that is not sick leave without pay.
- Your PSS PIP would be stopped if you refused to undertake a review or attend rehabilitation as requested by us.

A Helpsheet for your doctor/specialist is attached.

Helpsheet: points to be addressed by your doctor

Your patient, Mr/Mrs/Ms _____ is undergoing this medical assessment as part of his/her application for a Partial Invalidity Pension (PIP).

Please address and elaborate on all the following points in your report:

history of the condition(s)

- date of first consultation
- history as recorded in medical notes.

current symptoms/signs

- as described by the employee
- as observed by you at presentation.

diagnosis

- including the severity of the condition
- whether the condition is transitory or long-term.

treatment

- current medications, physical therapy, psychotherapy and your comment on their effectiveness
- your comments on the results of any tests conducted
- a description of any additional treatment which you would recommend and your opinion about the likely results of those treatments.

prognosis

- normal course of this illness/disease/injury
- expected outcome in this case.

effect on the employee's ability to work

- confirm if the employee is capable of performing the duties of his/her usual occupation
- the employee could perform his/her usual occupation if they modify their duties or if they reduce their working hours
 - if so, please recommend suitable duties or working hours and the spread of those hours over a working fortnight (e.g. Mon, Wed, Fri)
 - confirm if this modified situation (modified duties/reduced hours) is likely to be permanent.

additional information

- is the employee's medical condition in your opinion the only reason that their working conditions need modification, please explain further
- what degree do any other factors impact on their work capacity (%)
- the date you believe these modified working arrangements became permanent
- include the date when the employee should have his/her next medical review.

Thank you.

Appendix B: employment status and effects – formal or informal

The employment status of the employee applying for PSS PIP must be decided prior to the PIP application being forwarded to us so that the application can be decided under the correct rule.

The employment status is a matter to be negotiated between the employer and employee based on their agency's workplace agreement. We have no involvement in the choice of status.

The different types of employment status are:

- formal redeployment – the employee is permanently and by departmental instrument redeployed to a lower position
- informal redeployment – the employee is permanently but not officially redeployed to a lower position
- formal reduction in hours – the employee signs a part-time contract to permanently reduce their working hours and to become a PPTE
- informal reduction in hours – the employee remains a full-time employee but informal arrangements are made to work reduced hours on a permanent basis.

The effects of employment status are:

Formal

Formal redeployed employees and in receipt of PIP:

- pay contributions based on their decreased salary from the next birthday after their PSS PIP is approved
- no change to total equity
- no change to accrual or disbursement of leave
- when leave taken, PIP is still payable.

PPTE from full-time and in receipt of PIP:

- pays contributions applicable to the reduced salary from the next birthday after the PIP is approved
- future benefits calculated as if always working full-time, that is, using the full-time multiple and up-dated full-time salary, regardless of the decrease in rate of contributions – note this is a special circumstance for PIP recipients only.
- is paid the PIP continuously, even if using previously accrued sick leave, as this must be disbursed at the part-time rate from date of becoming a PPTE. New credits of sick leave are accrued at the pro-rata rate. PIP must cease if annual or LSL is taken at the full-time rate. New credits of annual leave etc are accrued at the part-time rate.

Informal

Informally redeployed and in receipt of PSS PIP:

- continue to pay contributions based on their updated full-time salary
- no change to future benefit accrual
- no changes to accrual of leave
- no PIP payable when leave taken.

Full-time employee working part-time hours from full-time and in receipt of PIP:

- pays the rate of contributions applicable to the updated full-time salary, even though he/she is not in receipt of that salary
- no change to future benefit accrual – calculated as if working full-time
- must use all accrued sick leave before the PIP is payable. When new sick leave credits are accrued, PSS PIP payments cease until these credits are used. PSS PIP also ceases when employee is on fully paid annual or other leave and on public holidays.

Appendix C: informal proforma (redeployment)

This is suggested wording for a Delegate's statement to be completed for PSS members who are applying for PIP who choose to remain designated at their former level whilst working at a reduced level.

Departmental letterhead

Employment status – informal reduction in level

RE: (insert name) – (insert AGS number)

Application for PSS Partial Invalidity Pension (PIP) redeployment to a lower classification

Mr/Ms _____ is permanently working as a _____ (ranking), which is a lower classification than his/her substantive rank, with effect from _____ (date).

Mr/Ms _____ has decided to remain nominally on the records as being employed at his/her substantive ranking.

He/she has been provided with information about the effects of this decision on superannuation contributions, benefits, leave accrual/disbursement and on the eligibility to PSS PIP payments when leave is taken.

Signed and dated

(by a departmental Delegate responsible for information and decisions about employment status, such as HR, payroll etc).

Appendix D: informal proforma (reduction in hours)

This is suggested wording for a Delegate's statement to be completed for PSS members who are applying for PIP, who choose to remain designated full-time employees whilst working reduced hours.

Departmental letterhead

Employment status – informal reduction in hours

RE: (insert name) – (insert AGS number)

Application for PSS Partial Invalidity Pension (PIP) reduction in hours

Mr/Ms _____ is working _____ hours per fortnight with effect from _____ (date).

Mr/Ms _____ has decided to remain a designated full-time employee whilst working these reduced hours.

He/she has been provided with information about the effects of this decision on superannuation contributions, benefits, leave accrual/disbursement, and on eligibility to PSS PIP payments when leave is taken.

His/her sick leave will be exhausted/has expired on _____ (date).

His/her salaries on the day after last day of sick leave are: –

\$ _____ (old salary) _____ (new decreased salary)

Signed and dated

(by a departmental Delegate responsible for information and decisions about employment status, such as HR, payroll etc.).

Appendix E: reimbursement helpsheets

PSS reduction in hours – informal

Claim for re-imbursement of Partial Invalidity Pension (PIP)

Name PSS FT (Informal)
AGS No. 73.5 hrs f/n to 40 hrs f/n
 Partial Pension commencement date 1/01/2005
 Proportion (as advised by CSC) 0.5628743

PSS FT (Informal) on PIP
 Public holidays – no PIP
 Fully paid leave – no PIP
 Hours increased – PIP reduces
 Sick leave accrues – cease PIP
 LSL – cease PIP

PLEASE PROVIDE DETAILS OF SALARIES, DATES, REASONS FOR VARIATIONS (e.g. pay rises) USED TO CALCULATE AMOUNTS FOR RE-IMBURSEMENT

Salary before reduction	Salary after reduction	Reason for variation	Start period	End period	Fortnightly amount	Pay days	Total
41341	22498	PIP commences	1/01/2012	16/03/2012	\$406.63	5.5	\$2,236.46
41341	41341	Canberra day	17/03/2012	17/03/2012	\$0.00	0	\$0.00
41341	22498		18/03/2012	31/03/2012	\$406.63	1	\$406.63
41341	41341	annual leave	1/04/2012	30/04/2012	\$0.00	2.1	\$0.00
41341	25311	hrs increase to 45 f/n	1/05/2012	5/05/2012	\$345.92	0.4	\$138.37
41341	41341	Use sick leave accrual	6/05/2012	9/05/2012	\$0.00	0.3	\$0.00
42168	25817	payrise doing 45 hrs	10/05/2012	30/06/2012	\$352.85	3.7	\$1,340.83
42168	42168	LSL	1/07/2012	31/07/2012	\$0.00	2.2	\$0.00
					\$0.00	0	\$4,040.96
					\$0.00	0	\$0.00
					\$0.00	0	\$0.00

LSL – cease PIP regardless of whether FT or PT rate is paid as it is FT leave no matter how it is taken

PSS Redeployment – formal and informal

Claim for re-imbursement of Partial Invalidity Pension (PIP)

Name PSS Redeployment
AGS No. APS5(TOR) to APS4 (midpoint)
 Partial Pension commencement date 1/01/2005
 Proportion (as advised by CSC) 0.5628743

PSS Redeployment
 Payrise: adjust both salaries
 Increments: adjust only salary after redn
 HDA: adjust only salary after redn
 Cease on reaching former salary

PLEASE PROVIDE DETAILS OF SALARIES, DATES, REASONS FOR VARIATIONS (e.g. pay rises) USED TO CALCULATE AMOUNTS FOR RE-IMBURSEMENT

Salary before reduction	Salary after reduction	Reason for variation	Start period	End period	Fortnightly amount	Pay days	Total
54765	47813	PIP commences	1/01/2010	30/06/2010	\$150.02	12.9	\$1,935.26
55313	48291	Payrise	1/07/2010	14/08/2010	\$151.53	3.2	\$484.91
55313	50275	Increment top APS4	15/08/2010	19/11/2010	\$108.72	7	\$761.03
55313	52162	HDA APS5 bottom	20/11/2010	31/12/2010	\$68.00	3	\$203.99
55313	50275	Off HDA to APS4	1/01/2011	31/03/2011	\$108.72	6.4	\$706.68
55313	52162	Promoted APS5	1/04/2011	31/03/2012	\$68.00	26.1	\$1,768.00
55313	53738	Increment	1/04/2012	31/03/2013	\$33.99	26	\$887.14
55313	55313	Inc TOR cease PIP	1/04/2013	1/04/2013	\$0.00	0.1	\$0.00
					\$0.00	0	\$6,731.85
					\$0.00	0	\$0.00
					\$0.00	0	\$0.00

PSS PIP – Formal reduction in hours – PPTE

Claim for re-imbursement of Partial Invalidity Pension (PIP)

Name PSS PPT

AGS No. 73.5 hrs f/n to 40 hrs f/n

Partial Pension commencement date

Proportion (as advised by CSC)

1/01/2005

0.5628743

PSS PPT on PIP

Payrise/inc – adjust both salaries

HDA – adjust only salary after redn

LWOP – PIP not payable

Promotion – adjust both salaries

LSL 1/2 pay – halve f/n PIP rate

PLEASE PROVIDE DETAILS OF SALARIES, DATES, REASONS FOR VARIATIONS (e.g. pay rises) USED TO CALCULATE AMOUNTS FOR RE-IMBURSEMENT

Salary before reduction	Salary after reduction	Reason for variation	Start period	End period	Fortnightly amount	Pay days	Total
53208	28957	PIP commences	1/01/2012	30/06/2012	\$523.33	13	\$6,803.33
54765	29804	Increment (top APS5)	1/07/2012	14/08/2012	\$538.65	3.2	\$1,723.69
55313	30102	Payrise	15/08/2012	19/11/2012	\$544.05	6.9	\$3,753.94
55313	30434	HDA APS6	20/11/2012	31/12/2012	\$536.88	3	\$1,610.65
55313	55313	LWOP	1/01/2013	29/01/2013	\$0.00	2.1	\$0.00
55922	30434	Promotion to APS6	30/01/2013	28/02/2013	\$550.03	2.2	\$1,210.06
55922	43178	LSL 1/2 pay*	1/03/2013	31/03/2013	\$275.01	2.1	\$632.52
					\$0.00	0	\$15,682.40
					\$0.00	0	\$0.00
					\$0.00	0	\$0.00
					\$0.00	0	\$0.00

*LSL 1/2 pay:

Usual loss of salary = \$55922-\$30434 = \$25488

Loss of salary at 50% rate = \$25488/2 = \$12744

Salary after reduction = \$55922-\$12744 = \$43178

This gives new PIP amount of \$275.01 gross per f/n (i.e. 50% of usual f/n rate)

If using FT LSL credits – NO PIP as it is FT leave no matter how it's taken.

Appendix F: examples of effect of leave on PSS PIP payments

Informal part-timer

Suzie is a PSS member who is receiving a PIP. Suzie did not sign a part-time contract to formally become a permanent part-time employee. She remains a designated full-time employee but works reduced hours because of her medical condition.

Suzie decides to go on Long Service Leave (LSL) or annual leave. Her PSS PIP ceases for the duration of that leave.

Why? Because Suzie accrued her LSL or annual leave at the full-time rate and is paid a full-time wage while on leave. There is no decrease in salary, so PSS PIP is not payable.

Suzie decides to take her LSL/annual leave at half pay. Her PSS PIP ceases for the duration of that leave.

Why? Because Suzie accrued this leave at the full-time rate, and therefore it is still full-time leave, no matter how it is taken. Suzie is only receiving half her pay but she is receiving the benefit of a doubled period of leave. The decrease in pay is not due to her medical condition.

Formal part-time employee (PPTE)

Paul is a PSS member who is receiving a PSS PIP. Paul signed a part-time contract and is formally recognised as a PPTE because of his medical condition.

Paul takes LSL or annual leave accrued when he was a full-time employee. His PSS PIP ceases for the duration of that leave.

Why? Because Paul is receiving full pay during this leave.

Paul takes LSL/annual leave accrued since becoming a PPTE. His PSS PIP continues to be paid during his leave.

Why? Because Paul is receiving his part-time salary during this leave. Paul is still incurring a loss in salary because of his medical condition.

Paul takes LSL/annual leave accrued since becoming a PPTE at half pay. His PSS PIP continues to be paid during this leave but at half the usual rate.

Why? Because Paul is still incurring a loss in salary while using this pro-rata LSL/annual leave, due to his medical condition. He is entitled to continuing PIP payments. However, he is receiving twice as much time off work and electively halving his part-time pay, so his PIP is also paid at half the usual rate.

Informal redeployment

Abby has been redeployed to a lower level and is receiving a PSS PIP. Abby did not formally reduce her level. Her PSS PIP will be ceased when she takes LSL/annual leave paid at her substantive-level pay rate.

Why? Because she is not incurring a loss in salary.

If Abby takes her LSL/annual leave at half pay her PSS PIP will be ceased.

Why? Because she is receiving the benefit of a doubled period of leave. The decrease in pay is not due to her medical condition.

Formal redeployment

John has been formally redeployed to a lower level and is receiving PSS PIP. If John takes LSL/annual leave paid at his former rate, his PSS PIP will cease. **Why?** Because he is not incurring a loss in salary.

If John takes LSL/annual leave at half pay of his former rate, his PSS PIP will cease.

Why? Because he is still receiving the benefit of the higher level in the form of a doubled period of leave.

If John takes LSL/annual leave accrued at the lower level rate, his PSS PIP will continue to be paid.

Why? Because he is still incurring a loss in salary for health reasons.

If John takes LSL/annual leave at half pay of his lower rate, his PSS PIP will continue to be paid but at half the normal rate.

Why? Because he is incurring a loss in salary for health reasons and is still entitled to PSS PIP. However, he is also receiving the benefit of a doubled period of leave and so is only entitled to half his PSS PIP.

Important note: Maternity leave

Maternity leave is treated exactly the same as LSL or annual leave.

Appendix G: PSS PIP estimate request form and calculators

The PSS PIP estimate request form is available at eac.csc.gov.au under Forms

The PSS PIP calculator can be found on the eac.csc.gov.au, **Rates and Calculators** webpage under **Calculators**.

Appendix H: notes on PIP for examining medical officers

What is a PIP?

A PIP is a payment made to eligible members who have incurred a permanent decrease in salary attributable to physical or mental incapacity. A loss of recognised allowances for medical reasons may also attract a PIP.

Who is entitled to a PIP?

A member may be eligible for a PIP if their salary has been permanently decreased because they have been redeployed to a lower position or have reduced their hours, or a combination of both situations, for health reasons.

Who is not entitled?

Members are not eligible for PIP if they are casual members, PSS LBM's, members receiving compensation payments for the same condition, or members who have reached maximum retiring age (age 65).

What is paid?

PIP is a proportion or percentage of the difference between the higher and decreased salary. This proportion/percentage is calculated by us. **It is not the whole amount of the salary loss.**

Graduated return to work (GRTW)

PIP is not payable to an employee on a GRTW until their modified situation becomes permanent. However, if the member had not been able to increase beyond the modification set at the beginning of the GRTW, then the period of the GRTW may be taken into account for the PIP start date.

No approval in advance

The wording of the PIP legislation is such that our Delegate cannot approve a PIP in advance of the salary decrease – the salary loss must have occurred prior to the PIP being approved.

Start date for PIPs

PIP will be granted from the date our Delegate is satisfied that the employee began to incur a **permanent** loss of salary for health reasons. In most cases this date will be the date of effect of the part-time contract which establishes the permanent pattern of hours for which PIP is being sought. For those members who do not sign contracts, the start date for PIP will be the day after all sick leave credits have been used, following the beginning of the permanent pattern of part-time hours for health reasons. For members who are redeployed, the start date for PIP will be the date of the reduction in level for health reasons.

Any backdating beyond the above dates would be unusual and would be considered on a case by case basis. In general, there is no backdating beyond the date established as the beginning of a **permanent and stabilised pattern of hours/level** unless the delegate decides that the circumstances of a particular case are exceptional.

Responsibilities of the examining medical officer

Pre-application strategies

It is expected that the medical officer would have encouraged all other avenues of management to retain the employee in their usual or full employment prior to an application for PIP, given that a permanent redeployment or reduction in hours is a significant modification to the employee's working life. Strategies could include:

- appropriate leave to allow adequate recovery time
- health assessments by appropriate specialists
- any treatment or strategy recommended by those specialists
- workplace assessments
- daily living assessments
- functional capacity assessments
- vocational assessments
- neurological or psychological testing
- counselling/employee assistance programs
- pain management programs
- work conditioning and retraining
- graduated return to work programs.

Background information

The medical examiner should ensure their report takes into account all relevant background information. If a report from the main treating practitioner/specialist has not been provided, the medical examiner should arrange for this report to be obtained. This report should be up-to-date, not more than six months old and be the result of their most recent examination or consultation. The treating doctors' reports should also address all issues listed in the **Helpsheet**.

Similarly, the medical examiner should have the results of any rehabilitation or retraining attempts and should comment on the positive and negative results.

Examining medical officer's report

The medical examination for PIP applications must be conducted by an independent specialist who is not the employee's specialist, and who is suitably qualified in the field of the medical condition, or an Occupational Physician. If the condition is psychiatric, the member must be examined by a Consultant Psychiatrist. The legislation does not specify that this medical examination must be conducted by an approved medical practitioner (AMP), however an AMP is often the best choice of provider because they are familiar with the medical criteria for PIPs and may be less expensive – they should charge employers a set rate as specified on their contract with CSC.

There is no official medical reporting form for PSS PIPs (no **Medical examination report for invalidity retirement (SM2)** form).

The medical examiner's role is to document the employee's medical condition and its effect on their ability to work. The medical examiner is responsible for providing a recommendation about the most suitable level of duties or the most suitable number of working hours and the spread of those hours over the working fortnight. The medical examiner must give an opinion about whether these work modifications are due solely to the medical condition, and whether the modifications are permanent. The medical examiner should also set a date for medical review. The medical examiner must address all issues listed in the **Helpsheet** attached.

Eligibility for PIP entails meeting both medical and administrative criteria. Consequently, the medical examiner must provide an opinion about the medical criteria, and may say that in their opinion the medical criteria for PIP are satisfied, but they do not have the authority to say whether or not the PIP should be approved.

PIP reviews

Members of PSS in receipt of PIP are medically reviewed for fitness for continued duty and to determine whether their PIP should continue unchanged or whether the rate of payment should be increased or decreased.

The date of review for PIP purposes is set by our Delegate, but is likely to be in line with the medical examiner's recommended review date. The first medical review will usually be scheduled for one year after PIP approval. If the medical examiner is of the opinion that the medical condition is stable, the delegate will usually not ask for another medical review for two or three years. However, an earlier review can be arranged if the medical condition improves or deteriorates in the meantime. If the employer advises that the employee's work situation remains unchanged, then an independent medical assessment is not required.

Responsibilities of the examining medical officer

Background information

The medical examiner will be provided with any material collected since the PIP approval/last review to assist in the medical assessment.

The medical examiner needs to obtain an updated report from the treating practitioner/specialist only if deterioration in the medical condition is observed and the medical examiner is considering a recommendation for a further reduction in level or hours which would result in the member becoming eligible for an increase in the rate of PIP payment.

In this situation, the medical examiner should ask the employer to provide any additional information needed to make their recommendation, such as duty statements, reports from supervisors etc.

Examining medical officer's report

The medical examination for PIP reviews should normally be conducted by an Occupational Physician.

There is no official reporting form for PSS PIP reviews. The OP should provide a typed report addressing the issues listed on the attached **Helpsheet for PIP reviews**.

The medical examiner's role is to document the member's current fitness for duty. The medical examiner is responsible for reporting any change to the member's medical condition, and to make a recommendation about whether or not the current modification remains suitable for the at-work management of the member's medical condition.

If changes to the modified situation are recommended, the medical examiner must set the new suitable level of duties or the most suitable new number of working hours and the spread of those hours over the working fortnight. The medical examiner must give an opinion about whether these new modifications are due solely to the medical condition and whether the new modifications are permanent. The medical examiner should give an opinion about a suitable date for the next medical review.

PIP would be **stopped by our Delegate** if the member refused to undertake a review or attend rehabilitation as requested by us. PIP would be ceased by our Delegate if the member's state of health no longer causes partial incapacity.

Helpsheets

Helpsheet for PIP applications and PSS PIP reviews are attached, for the use of treating practitioners/specialists and examining medical officers.

Contact details

Examining medical officers may contact PIP Delegates at:

Post: Casework Services

CSC

GPO Box 2252

Canberra ACT 2601

Email: caseworkservices@csc.gov.au

Fax: 02 6272 9815

PSS PIP applications

Helpsheet: points to be addressed by your doctor

Mr/Mrs/Ms _____ is undergoing this medical assessment as part of his/her application for a Partial Invalidity Pension (PIP).

Please address and elaborate on all the following points in your report:

history of the condition(s)

- date of first consultation
- history as recorded in medical notes.

current symptoms/signs

- as described by the employee
- as observed by you at presentation.

diagnosis

- including the severity of the condition
- whether the condition is transitory or long-term.

treatment

- current medications, physical therapy, psychotherapy and your comment on their effectiveness.
- your comments on the results of any tests conducted.
- a description of any additional treatment which you would recommend and your opinion about the likely results of those treatments.

prognosis

- normal course of this illness/disease/injury
- expected outcome in this case.

effect on the employee's ability to work

- confirm if the employee is capable of performing the duties of his/her usual occupation
- the employee could perform his/her usual occupation if they modify their duties or if they reduce their working hours
- if so, please recommend suitable duties or working hours and the spread of those hours over a working fortnight (e.g. Mon, Wed, Fri)
- confirm if this modified situation (modified duties/reduced hours) is likely to be permanent.

Additional information

- is the employee's medical condition in your opinion the only reason that their working conditions need modification, please explain further
- what degree do any other factors impact on their work capacity (%)
- the date you believe these modified working arrangements became permanent
- include the date when the employee should have his/her next medical review.

Thank you.

PSS PIP review

Helpsheet: points to be addressed by doctor

Mr/Mrs/Ms _____ is undergoing a medical review to determine whether his/her partial invalidity pension should continue or be varied.

Please address and elaborate on all the following points in your report:

history of the condition(s)

- since last review/consultation
- history as recorded in medical notes.

current symptoms/signs

- as described by the employee
- as observed by you at presentation.

diagnosis

- including the severity of the condition
- whether the condition is transitory or permanent.

treatment

- Current medications/physical therapy/psychotherapy and your comment on their results
- Your comments on the results of any tests conducted
- A description of any additional treatment which you would recommend and your opinion about the likely results of those treatments.

prognosis

- normal course of this illness/disease/injury
- expected outcome in this case.

effects of the condition(s) on the employee's ability to work full-time/at level

- the employee's existing modified duties or reduced working hours are suitable to manage their medical condition (Please note: in this statement the employee's present modified working hours/duties)
- if not, the employee could continue working if additional modifications were made
- to their working hours or duties. If so, please recommend suitable duties or working hours and the spread of those hours over a working fortnight (e.g. Mon, Wed, Fri)
- the employee's medical condition, in your opinion, is the only reason that their working conditions need modification, please explain further
- what degree do any other factors impact on their work capacity (%)
- include the date when the employee should have his/her next medical review.

Thank you.



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employer.service@csc.gov.au



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1300 338 240



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(02) 6275 7010



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