

Features

New Employer
Productivity
Superannuation
Contribution rates

2007/08 Maximum
Benefit Limits for
PSS members

Submitting
contributions
and data

Current topics

New CSS website

Invalidity matters

Tax File Numbers
due – final reminder

Keep up-to-date with
At Work for You

Coming up

Equitable distribution
of earnings

PSSap quarterly
reports due soon

Employer Centre
improvements

Annual Statements

PSSap

PSS

CSS

New Employer Productivity Superannuation Contribution rates

New Employer Productivity Superannuation Contribution (EPSC) rates will apply from the first pay of the financial year (pay 1 – 12 July 2007) to all PSS and CSS members with a productivity benefit.

Generally, a member's EPSC amount may be updated twice a year. This could be from Pay 1 in the financial year, when new rates apply, and also following the member's birthday, when there has been an increase in the member's salary for superannuation contribution purposes.

However, in some cases, the EPSC amount might only be updated once a year. This occurs if:

- > the amount remains the same following the EPSC rate change from Pay 1 (e.g. member remains in the 3% EPSC rate following Pay 1 – 12 July); or

- > the member remains in the same EPSC rate group following their birthday (e.g. member remains in the fixed EPSC amount following their birthday).

2007/08 Employer Productivity Superannuation Contribution rates

The Employer Productivity Superannuation Contribution (EPSC) rates applying from Pay 1 of the 2007/08 financial year (1 July 2007) are outlined in the table below:

Fortnightly rate of salary	Fortnightly Productivity Contribution
Less than \$1,591.33	\$47.74
\$1,591.33 to less than \$2,564	3% of the member's fortnightly superannuation salary
\$2,564 to less than \$3,846	\$76.92
\$3,846 or more	2% of the member's fortnightly superannuation salary

2007/08 Maximum Benefit Limits for PSS members

PSS members who reach their Maximum Benefit Limit (MBL) are required to stop paying member contributions. Employers must also stop paying Employer Productivity Superannuation Contributions (EPSC) towards these memberships. However, you will need to continue paying Employer Superannuation Contributions (ESC).

We provide regular advice to employers that have members who have already reached, or are about to reach their MBL. MBLs are indexed to movements in the Average Weekly Ordinary Time Earnings (AWOTE) index. The MBLs for the 2007/08 financial year are outlined in the table on the right, and will apply from 1 July 2007.

Average salary for superannuation	Maximum benefit
less than \$51,010	\$408,080
\$51,010 or more but less than \$81,610	8 times average salary
\$81,610 or more but less than \$151,500	\$163,220 plus 6 times average salary
\$151,500 or more	\$617,720 plus 3 times average salary

Note: Different MBLs may apply to members of the Australian Federal Police. Please contact Employer Help for more information – contact details are provided at the end of this newsletter. Members who require help should call the PSS on 1300 000 377.

Submitting contributions and data – your top questions answered

Changes to superannuation on 1 July this year mean it is more important than ever for employers to submit contributions and data accurately and on time

Submitting contributions on time is critical, particularly for PSSap members, as it affects their earnings and insurance. But equally important is the information you provide us, such as Tax File Numbers (TFNs), members' contact details and correct salary for superannuation details for members.

As you know, from 1 July onwards, we must have members' TFNs in order to accept their after-tax contributions (see the reminder in this edition) and there are caps on the contributions members can make without incurring additional tax.

Members also need information to help them make informed decisions about their super, and we can ensure they receive the information they need if we have their contact details. This reduces the time you spend answering employees' questions and distributing super information.

Keeping members' records up-to-date, includes ensuring members' salary for superannuation information is correct. This is important as salary for super has an impact on members' future benefits.

Your assistance in capturing this information will reduce the workload for you and help us provide the best possible service to your employees. We can help you with any difficulties in submitting contributions and data on time, preparing PSSap quarterly reports, determining what a correct salary for superannuation is or administration of the scheme rules and their application to member records. Just call us for assistance – our contact details are at the end of this newsletter. You might also find the following answers to our most frequently asked questions useful.

Q. What postal address will you use to send important communications to members?

A. As outlined in edition 162 of Employer News, we will be sending a number of special communications directly to members of the PSSap, PSS and CSS in 2007.

In most cases, we will be using the address which a member has advised us of in the last six months, either through Your account (PSSap) or Member Services Online (PSS and CSS) or through our Customer Service Centre.

However, if we have not received advice from the member in the last six months or if a member has explicitly advised us they do not want super information sent to their home, we will use the postal address provided by you (the employer) through your data submissions on ESO.

If you have not advised your employees about what addresses we will use (as outlined in edition 162) please do so as soon as possible.

Q. Why is ESO rejecting TFNs that have previously been accepted?

A. To ensure we are prepared for the Governments' Better Super changes which come into effect on 1 July, we have changed the business rules around TFNs to show an 'error' rather than just a 'warning' if the TFN has not been properly validated in the past. This will ensure we have valid TFNs for members.

Q. I paid an employer shortfall for an employee last quarter but it is not appearing as a shortfall payment on the quarterly report.

A. We find this most commonly happens because the payment has been entered as an 'employer basic contribution' rather than a 'shortfall payment'. If this is the case, you will need to manually correct the employee's quarterly report. If not, please contact us.

Q. When I ran my quarterly report for employees this month I got very strange figures in the percentage column. Why is this happening?

A. This probably means that your contribution files have not contained OTE values or there may be some OTE values missing. If this is the case, you will need to manually correct the employee's quarterly report. If not, then please contact us.

Q. I am from an agency which submits its data manually rather than through the payroll interface file (PIF). When I opened up my grid, one of my members had disappeared. What happened?

There could be several reasons for this. For example, your agency may be behind in submitting contributions and the employee has since had their benefit paid. Please contact us so we can help you identify why the employee has dropped off the grid and how it can be fixed.

Improved website for CSS members

As part of the new, improved ARIA communications, www.css.gov.au has been redeveloped and now provides members with a more user-friendly structure and functionality which includes a five minute web tour.

The tour is conducted by our virtual guide who shows members around the site and helps them make the most of its features.

You might find the tour to be a useful tool for employees asking questions about their CSS super.

Invalidity matters – review process for PSS partial invalidity pensions

If you are managing PSS members who are receiving partial invalidity pensions (PIPs), you will be aware that they are required to undergo regular medical reviews. These reviews determine whether they are still entitled to receive the PIP or a change in the rate of payment.

These reviews happen on a yearly basis until it becomes clear that the member's condition has stabilised. After this, the timing of the review is at the discretion of the PSS Delegate.

We will send you a reminder letter so that you can start the review process.

This letter lists the documents you need to collect, and the order in which you should collect them. We would be grateful if you would follow the recommended process carefully, as we have found that it is the most effective way of ensuring that our Delegate is provided with everything that is needed to make an informed and fair decision.

The letter also includes:

- > a help sheet which lists the questions you should ask the member's treating practitioners and the Occupational Physician; and
- > contact details for our Invalidity Assessment Unit representative who can assist you.

Reminder – the deadline for providing members' Tax File Numbers is fast approaching

Thank you to those employers who have provided their employees' Tax File Numbers (TFNs).

If you haven't yet done this, please be aware that the deadline of 1 July is fast approaching. This is when the Government's Better Super changes come into effect. If we do not have a member's TFN by then, we will not be able to accept their after-tax contributions and other contributions may be taxed at the top marginal rate (see edition 162 of Employer News for more information).

We have written to members for whom we do not have a TFN on record, but employers' support continues to be critical to ensure a smooth transition without impact on members' super savings.

You can submit TFNs via your fortnightly data reporting through Employer Services Online (ESO). If you are encountering any difficulties please email or call us – our contact details are at the end of this newsletter.

Keep up-to-date with At Work for You

Find out more about how the At Work for You program can help you streamline super administration and get the most from your agency's super arrangements through in-house scheme workshops for your members and workplace training for your payroll and other relevant areas:

- > See edition 160 of Employer News
- > Visit At Work For You online
- > Book us to come to work for you – contact details at the end of this newsletter.

Remember that Employer Relations also provides training to employers as part of the At Work For You program, providing personnel training, recruitment training, advanced superannuation training and tailored training to agencies' needs.

More equitable distribution of earnings for PSS and CSS members

You may recall that in 2004 we changed the way we allocate earnings to members' accounts. This was the first step in creating a more equitable distribution of earnings between members who claim their benefit during a period of negative earnings and those who stay.

Rule changes now allow us to take the next step which will involve:

- > ongoing declared earning rates which will reflect the performance of the Fund, be that positive or negative; and
- > removing the prohibition on negative crediting rates so that members' returns more accurately reflect the actual earnings of the Fund.

Letters have been sent to members about these changes and fact sheets are available online.

We expect the process of allocating earnings to members' accounts to start during 2007/08.

If you receive any enquiries about this, you can refer your employees to their Scheme's website – www.pss.gov.au or www.css.gov.au

PSSap quarterly report for Q2 due by 28 July

The end of June will be the end of the second quarter for 2007. You have until 28 July to provide each PSSap member at your agency with a report on what you have contributed to their super account during that quarter.

You will find useful guides and templates at the Employer Centre at www.aria.gov.au and more information in edition 161 of Employer News.

If you require any further assistance, just email or call us.



Employer Help Desk

Email employer.help@comsuper.gov.au
Phone 02 6272 9993
Fax 02 6272 9816
Web www.aria.gov.au
(select Employer Centre)

At Work for You

Email atworkforemployers@aria.gov.au
Phone 02 6263 6999

Employer Centre online improvements on the way

As you know, over the past few months we have launched improvements to members' websites. We are working on applying the same improvements and functionality to your Employer Centre online, which will be available at the end of June.

Annual statements – avoid delays for members and reduce your processing time

Annual member statement time is fast approaching. If we have members' contact details by 31 July, we can send statements promptly and directly to them and do not have to rely on you to distribute them.

To reduce your workload in distributing statements, we are always encouraging members to provide their current postal address when they contact us but you can also help by submitting members' contact details through ESO. See edition 164 of Employer News for an email which you can use to encourage members at your agency to provide their details, either to you or directly to us.