

Spouse contributions

Your spouse or partner can make extra payments into your PSSap super account. We call these contributions ‘eligible spouse contributions’. Your spouse, either married or de facto, does not have to be a member of the PSSap to make the contributions to your PSSap super account.

Age limits on contributions

When you are over 65 years of age, there are different types of contributions we can accept in different circumstances. They are your own contributions (member contributions), employer contributions and mandated employer contributions. Mandated employer contributions are contributions which your employer is obliged to make on your behalf under a Certified Agreement, an Award or an Australian Workplace Agreement. The 15.4% employer contribution which you have been receiving up until the age of 65 is not considered a mandated contribution unless it is so specified under one of these agreements.

Table 4 indicates whether or not we can receive contributions and restrictions of contributions for members over 65.

Table 4: Age limits on contributions

	Age 65 to 69 (inclusive)	Age 70 to 74 (inclusive)	Age 75+
Member contributions (after tax contributions)	Yes – subject to cap ¹ and work test ²	Yes ⁴ – subject to cap ¹ and work test ²	No
Mandated employer contributions ³	Yes	Yes	Yes
Employer contributions (including salary sacrifice contributions)	Yes – subject to a work test ²	Yes ⁴ – subject to work test ²	No

1. Member contributions in a financial year generally can not exceed the caps for post-tax contributions (currently \$150,000, see also page 27) if you are aged between 65 and 74 (inclusive) on 1 July of that financial year.
2. Work test means having been gainfully employed on at least a part-time basis during the financial year in which the contributions were made.
3. Mandated employer contributions are contributions made to a regulated super fund by employers to satisfy the superannuation guarantee requirements, and contributions made by employers to a regulated super fund pursuant to an obligation specified in a Certified Agreement or Award made after 1 July 1986.
4. The super fund must receive contributions must be received by the super fund no later than 28 days after the end of the month in which the employee turns 75.

What is the work test?

This means that in order to make contributions, you must have worked at least 40 hours in a 30-day consecutive-day period in the financial year in which the contributions are made. These tests are likely to be modified by regulations for persons who were 64 or 74 at any time between 10 May and 5 September 2006.

Contribution rules

There are limits on the amount of super contributions that you or your employer make which receive concessional tax treatment.

There are also transitional limits for after-tax member contributions (non-concessional contributions).

Before tax (salary sacrifice) contributions

- > Your before tax contributions (made by you or by your employer) (referred to as your ‘concessional contributions’) to your super funds will be capped at \$25,000 (indexed annually) for each financial year.
- > A higher cap of \$50,000 will apply to concessional contributions made each financial year before 1 July 2012 by you or your employer if you are aged 50 and above in that financial year.
- > Individuals will be taxed on concessional contributions in excess of the cap (‘excess concessional contributions’) at a higher rate of 46.5% (instead of 15%)
- > Limits are also placed on the amount of after tax or member contributions you can make.

After tax contributions

- > After tax contributions (referred to as ‘non-concessional contributions’) will include any before tax contributions made in excess of the applicable \$25,000 or \$50,000 cap.
- > After July 2009, the amount of non-concessional contributions that can be made to your super funds will be capped at six times the cap on concessional contributions generally (that is, the limit for the 2009/10 financial year will be \$150,000).
- > If you are under 65, you can take advantage of up to three years’ caps in a single year (e.g. you can contribute \$450,000 in a year with no contributions in the two subsequent years)
- > Individuals will be taxed on earnings from excess non-concessional contributions cap at a higher rate of 46.5% (instead of 15%) payable from your account in PSSap.

Government super co-contribution

In some cases, the government will make a contribution for people on incomes up to \$61,920 per annum.

To qualify for the super co-contribution, you must make a personal, after-tax contribution to your super account. The government will then contribute up to \$1 for each \$1 you contribute, up to a maximum of \$1,000. Salary sacrifice (before tax) contributions are not eligible.

The Australian Taxation Office (ATO) determines if you are eligible to receive the super co-contribution, based on your tax return. If you are eligible, the ATO will send the amount straight to your super fund.

For more information – see the **Super co-contribution** fact sheet at www.pssap.gov.au or visit www.ato.gov.au

Processing your transactions

We aim to process your transactions within five business days of validating your request. This is of course dependent on all conditions being met.

By business days, we mean days on which the banks in both Sydney and Canberra are open (i.e. Monday to Friday, excluding bank holidays and public holidays).

Some transactions, such as insurance claims, may take longer.

Contributions, transfer and rollover amounts will be held in a bank account until accepted or returned. Any interest earned on the monies in this account will become an asset of the PSSap and may be apportioned between investment options as we decide.

How unit prices apply to your transactions

We process transactions (such as contributions, transfers, switches or withdrawals) using the applicable unit price, either a ‘buy unit price’ or ‘sell unit price’.

If you are making a contribution or transferring an amount to your PSSap super account, we use a buy unit price.

If you are withdrawing your super, we use a sell unit price.

For switches, we apply the sell unit price to the option you are switching out of and the buy unit price to the option you are switching into.

The buy and sell unit prices are generally different because they reflect the costs of buying and selling investments (such as brokerage and other transaction costs). This is called a buy-sell spread – see **Table 14b** on **page 51**. This involves adding an amount in calculating the buy unit price and subtracting an amount in calculating the sell unit price.

Following is an example of a typical transaction.

- Step 1: We receive your transaction request.
- Step 2: We validate that request (i.e. make sure it includes all the information needed and that the information is accurate).
- Step 3: Within five business days of that validation, we process your request using the latest applicable unit price(s) available for your investment option(s) on the day of processing.

Generally we base the unit prices we use to process a transaction on a unit price calculated for a day after we receive your request.