

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL ESTIMATES 2015-16

Finance Portfolio
9 February 2016

Department/Agency: Commonwealth Superannuation Corporation

Outcome/Program: General

Topic: Roll-over of PSS funds – media article

Senator: McAllister

Question reference number: F18

Type of question: Hansard Proof, F&PA Committee, Pages 59 and 62, 9 February 2016

Date set by the committee for the return of answer: Friday, 1 April 2016

Number of pages: 1

Question:

Senator McALLISTER: I am interested to talk a little bit about an article that appeared in [The Canberra Times](#) at the end of last month that relates to former public servants being denied investment earnings on trapped super.

...

Mr Carrigy-Ryan: ... I am happy, if you give me a copy of the article, to have a look at the detail in it. I do not recall the article, but I can have a look at the detail on it and get back to you, if you wish.

...

Senator McALLISTER: It is simply the article about the public servant denied access to super seeking to roll it over, and they undertook to come back to us.

Mr Carrigy-Ryan: Yes, we will take that on notice and provide you with a response.

Answer:

PSS preserved benefits generally comprise a funded component and an unfunded employer component. The funded component which is invested in the PSS Fund generally comprises member contributions, employer productivity contributions and earnings on these contributions.

No monies are held in the PSS Fund for the unfunded employer component. Under the PSS legislation, the unfunded employer component is usually funded from Consolidated Revenue when the member retires and claims their benefit.

Under the PSS legislation, PSS preserved benefits generally cannot be rolled over until the member has reached age 55 or more and retired from the workforce. However, PSS preserved benefits can become payable in exceptional circumstances, such as on financial hardship or where the member becomes totally and permanently incapacitated.

While the *Superannuation Industry (Supervision) Act 1993*, which regulates the superannuation industry, provides for the transfer of benefits between superannuation funds, it does not require unfunded public sector superannuation schemes to provide this option. The PSS is an unfunded public sector superannuation scheme.