



Parliamentary Superannuation Scheme PSS 3 After-Tax Contributions

Contributions you make towards your super during your working life will have a positive impact on your final entitlement when you retire. There are two ways of making personal contributions: after-tax or salary sacrifice.

After-tax contributions are contributions you make to your super from your salary after you have paid tax.

How to make after-tax contributions

Contributions can be made in two ways:

1. You can choose to contribute a set percentage of your superannuation salary to be deducted from your net, or after-tax salary. Superannuation salary is the total of your basic salary and any additional salary for holding ministerial or other offices.

You are able to choose your member contribution percentage rate as long as it is a whole number percentage of your superannuation salary. For example, if you earned \$200,626 in the 2019-2020 financial year and contributed at the rate of 4%, during the year you will have made member contributions of \$8,025, credited to your Member Account.

2. You can also choose to make a lump sum payment of \$50 or more into PSS 3. Lump sum payments can be made by Electronic Funds Transfer (EFT). Please contact Super SA for further details.

If you wish to contribute directly from your salary you can obtain a PSS 3 Change to Member Contribution Rate form from the Parliamentary Superannuation website or contact Super SA to have one posted to you.

Return the completed form to Super SA and we will contact your payroll office on your behalf.

We are unable to accept cheque, money order or cash payment.

Costs

There are no costs involved for members who choose to make after-tax contributions, other than the normal PSS 3 administration fee. You can change your contribution rate at any time and there is no charge for doing so.

After-tax contribution facts

- Your contributions, also known as “undeducted contributions”, are credited to your Member Account and can be paid in cash when you leave the Scheme, if claimed within three months of leaving the Parliament.
- Your contributions will not be taxed when you leave the Scheme, however, any investment earnings on the contributions will be taxed.

Did you know?

There are no costs involved for members making after-tax contributions, other than the normal PSS 3 administration fee.

Other considerations

There is a limit of \$100,000¹ each financial year to the amount of after-tax contributions you can make. If you are under age 65 during the financial year, you can bring forward the limit for two years to contribute up to \$300,000 in one year².

After-tax contributions you make to other super schemes (eg Pension Scheme, Lump Sum Scheme or personal funds) will be counted towards the contribution limit. If you breach these limits you will be taxed at the highest marginal rate on the excess amount.

Payments received from the Commonwealth Government as part of the co-contribution scheme do not count towards the contribution limits.

First Home Super Saver Scheme (FHSSS)

Please note: any contributions you make to your PSS 3 account, including any rollovers, will not count towards the First Home Super Saver Scheme (FHSSS). The scheme is an untaxed fund and is therefore excluded under Commonwealth rules.

Further information

If you have any enquiries regarding after-tax member contributions or any of the other matters, please contact Super SA.

The following fact sheets/booklet may be of particular assistance if read in conjunction with the information presented above:

- Voluntary Death and Total and Permanent Disablement Insurance fact sheet
- Salary Sacrifice fact sheet
- Parliamentary Superannuation Scheme PSS 3 Product Disclosure Statement.

¹ Individuals with a total super balance of \$1.6 million or above will have a non-concessional contribution cap of \$0. The total super balance includes all super accounts, including those in retirement phase. Lifetime pensions have a balance determined in accordance with a formula set by the ATO. If your total super balance is over \$1.6 million on 30 June, your concessional contribution cap for the following financial year is \$0. Please visit www.ato.gov.au for more information.

² Subject to transitional arrangements. Please visit www.ato.gov.au for more information.

We're here to help

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Disclaimer: This fact sheet provides a general summary to help you understand your entitlements in the Parliamentary Superannuation Scheme. Super SA does its best to make sure the information is accurate and up-to-date. However, you need to be aware that it may not include all the technical details relevant to the topic. The precise details under which the Scheme is administered and entitlements are paid are set out in the *Parliamentary Superannuation Act 1974* and accompanying regulations. You can access copies of these documents by contacting (08) 8226 9839.

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