Fact Sheet > SA Parliamentary Superannuation Scheme PSS 3

SALARY SACRIFICE

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You may wish to seek financial advice about the benefits of salary sacrifice or choosing the investment option that best suits your needs.

Salary sacrifice means making contributions to your super from your before-tax, or gross, income.

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

Salary sacrifice means making contributions to your super from your before-tax, or gross income. These contributions are credited to your Government Account. They are in addition to the employer contribution that you receive.

The employer contribution is currently set at 15.4% of your gross superannuation salary. Salary is defined in the Parliamentary Superannuation Act and is based on a member's basic salary and any additional salary for holding ministerial or other parliamentary offices.

How to salary sacrifice

You can make salary sacrifice contributions into superannuation through your payroll office. To do this, contact Super SA for an *Application to Salary Sacrifice Super Contributions* form. The amount that may be sacrificed cannot exceed 50 per cent of your salary.

Costs

Your payroll office will deduct an administration fee for this purpose.

Investment options

Any salary sacrifice contributions you make are invested in the same investment option as your other contributions. You are able to choose the investment option that best suits your investment style and personal circumstances. More information about investment choice is available on the *Investment Choice* fact sheet.

Salary sacrifice facts

– Your contributions are not considered part of your taxable income so your Pay As You Go tax may be reduced.
– Contributions are credited to your Government Account, and will be taxed when you leave PSS 3. In most circumstances, contributions will be taxed at the concessional super rate.
– Salary sacrifice contributions are preserved until you reach age 55, unless you die, or become permanently disabled. For more information on entitlements, refer to the *Entitlements* fact sheet.

Annual contribution caps

While there are no annual limits applied to any contributions made to untaxed funds, such as the PSS3 Parliamentary Super Scheme and Triple S, if you have a taxed superannuation fund elsewhere, any pre-tax contributions, including Salary Sacrifice contributions, made into an untaxed fund will count towards the annual cap used in those taxed funds.

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 salary sacrifice or any of the other matters raised in this fact sheet, please contact Super SA.

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The following fact sheets and booklet may be helpful if read in conjunction with the information presented above:

- After-tax contributions
- Investment Choice
- Entitlements
- Voluntary Additional Death and Total and Permanent Disablement Insurance
- Parliamentary Superannuation Scheme PSS 3 Product Disclosure Statement

Contact us

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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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