

This information sheet is designed to provide clarification on the application of Determination 3 of 2013 for members of the Commonwealth Superannuation Scheme (CSS) who elect to access 'Transition to Retirement' (TTR) arrangements, and the corresponding responsibilities of those employees and respective Northern Territory Public Sector (NTPS) agencies.

Background

Commonwealth Government legislation permits superannuation fund members who have reached their preservation age to start receiving their superannuation benefit while remaining employed by the same employer under certain circumstances. The CSS governing rules allow eligible members to access their superannuation benefit while remaining employed by the same employer, provided the following criteria are met:

- preservation age is reached;
- the employment arrangement is changed to a fixed period part-time or casual contract;
- contributory membership of CSS* is ceased; and
- the CSS benefit is paid as a non-commutable income stream (*such as a pension which cannot be converted to a lump sum cash payment while still working*).

*It is possible for employees to cease contributory membership and remain employed by the same employer by changing their employment arrangements from ongoing to fixed period part-time or casual employment, in order to start receiving their pension.

Changing employment conditions

Determination 3 of 2013 (revoking Determination 11 of 2011) was issued in January 2013 and provides for eligible employees to change employment status from ongoing to fixed period part-time in the same position or, where this is not practicable, to an alternative position at the same designation or (with consent of the employee) to a lower designation. Where an NTPS employee has accessed the TTR scheme and changed employment status, the *Public Sector Employment and Management Act* (PSEM Act), Regulations, By-laws, Employment Instructions and relevant enterprise agreement will apply as if the employee were an ongoing (part-time) employee.

For the purpose of leave entitlements, the Determination allows for the change of employment status without the loss of accrued entitlements where there is no break in employment. Where an employee gives consent to be transferred to a fixed period part-time contract at a lower designation, that employee may elect to cash-out accrued long service leave credits at the higher designation rate on the date they cease to be an ongoing employee. Furthermore, and subject to provisions in relevant enterprise agreements, an employee may elect to also be paid accrued recreation leave in excess of four weeks credit. This will be paid at the higher designation rate where an application to do so is approved prior to commencing a fixed period part-time contract at a lower designation.

A copy of Determination 3 of 2013 and other related forms are available from the Office of the Commissioner for Public Employment's website at www.ocpe.nt.gov.au or by contacting your Human Resources (HR) unit.

Superannuation provisions

By taking up this option employees will cease to be a contributory CSS member meaning they can no longer contribute to, or accrue future benefits from the scheme. The legislation governing the CSS and Northern Territory Supplementary Superannuation Scheme (NTSSS) state that any productivity benefit entitlements must also be claimed when CSS membership ceases. This means that entitlements from the NTSSS (the productivity scheme) will cease to accrue from the point the employee's change in employment status under Determination 3 of 2013 is approved. The decision to cease CSS and NTSSS membership is irreversible.

Employees will be required to move to Choice of Fund Superannuation Guarantee (SG) arrangements. This means that the Northern Territory Government will pay the employer contributions at the required Superannuation Guarantee (SG) rate to their nominated compliant superannuation fund. If a superannuation fund is not nominated, contributions will be paid to the default fund for the Northern Territory Government.

CSS benefit

The NT Superannuation Office does not administer the CSS and cannot provide information about CSS entitlements. Prior to making any decisions about ceasing CSS membership, employees should first discuss their options with a CSS member services consultant. They should also consider seeking financial planning advice from a qualified professional.

If an employee is eligible to apply for a CSS pension and wishes to take this option, the employee must complete the CSS form Cessation of Membership (SR2-CSS). Alternatively where the employee has yet to reach preservation age (but no earlier than one month prior or 21 days after reaching preservation age), the employee may apply to take a deferred benefit (commonly known as the 54/11 option). In this case, the employee should also complete the form Deferred Benefit, Continuing With the Same Employer (CDA3-CSS).

For further information regarding CSS provisions employees should contact the CSS on 1300 000 277 or via email members@css.gov.au, or by visiting their website at www.css.gov.au

Northern Territory Supplementary Superannuation Scheme (NTSSS) benefit

CSS members are also entitled to a three percent (3%) productivity benefit from the NTSSS. This benefit must be claimed in conjunction with the CSS benefit.

The NTSSS is a defined benefit scheme that pays a lump sum employer-financed benefit only. It is not a pension scheme. Generally, the NTSSS benefit is three percent (3%) of final salary for each year of eligible service since 1 October 1988. The NTSSS benefit must be preserved in a superannuation fund until permanent retirement from the workforce after preservation age. As the TTR rules do not allow payment of a lump sum, this means that even if an employee is eligible to take a pension from the CSS, they cannot take the NTSSS benefit in cash until they have permanently retired or meet another condition of release.

Any further accrual of the NTSSS entitlement will cease effective from the approval date of the employee's cessation of ongoing employment.

The Department of Corporate and Information Service (DCIS) Payroll services division will commence SG payments effective from the date the employee commences the fixed period part-time contract. In the event that SG payments are not commenced immediately, an adjustment of arrears will be arranged. Employees cannot elect to opt out of NTSSS without ceasing CSS membership. More information about the NTSSS can be obtained by contacting the NT Superannuation Office on 8901 4200 or via email: ntsuperannuation@nt.gov.au.

What is the process for changing employment conditions and ceasing CSS membership?

Employees will need to discuss their employment options with their manager or other relevant person in their agency and complete all relevant paperwork. A change employment status requires the approval of the agency's Chief Executive Officer. The NT Superannuation Office, CSS, or DCIS Payroll have no authority in relation to this matter.

Employees' responsibilities:

- Informing themselves of their options;
- Seeking independent professional advice;
- Seeking information regarding superannuation entitlements from CSS / NT Superannuation Office;
- Negotiating the new employment contract with their agency representative;
- Where electing to transfer to a lower designation, advising HR area of any election to cash out existing long service leave credits and, subject to provisions in the relevant enterprise agreement, recreation leave in excess of four weeks; and
- Advising DCIS Salary Packaging Unit of any alterations to Salary Sacrifice arrangements.

Employees will need to complete the following forms:

1. [Election to Change Employment Status](#): return to Human Resources (HR).
2. [Cessation of Membership \(SR2-CSS\)](#): This form should be returned to HR for forwarding on to the employee's payroll section.
3. [Deferred benefit – continuing with the same employer \(CDA3-CSS\)](#): if the employee is yet to reach preservation age (i.e. taking the 54/11 option). Note that the employee must also complete the abovementioned Cessation of Membership (SR2-CSS) form. This form should be returned to HR for forwarding on to the employee's payroll section.
4. [Superannuation – Choice of Fund](#) form. This form will enable the payroll section to commence Superannuation Guarantee contributions to the employee's new fund. This form should be sent to the employee's payroll section.
5. [NTSSS Opt Out form for CSS Members \(NTG-F36 V01\)](#): This form should be returned to HR for forwarding on to the NT Superannuation Office.
6. [Identity Certification form \(NTG-F26-V07\)](#): This should be attached to the NTSSS Opt Out form (along with the required identification) and returned to HR for forwarding on to the NT Superannuation Office.
7. [Individual Flexible Working Agreement](#): (optional) only to be completed if intending to work in excess of the maximum number of hours specified for a part-time employee in the relevant enterprise agreement. This should be returned to the HR unit.

Departmental / Human Resources Unit responsibilities:

- Providing the employee with information about the process;
- Ensuring the identified position can be performed on a part-time basis;
- Assisting the employee to complete the form Election to Change Employment Status form;
- If working outside the agreed hours of part-time work as provided for in the relevant enterprise agreement, facilitating the negotiation and approval of an Individual Flexible Working Agreement;
- Recommend and forward any long service leave cash out requests to DCIS Payroll ensuring compliance with Determination 3 of 2013;
- On forwarding the approved Election to Change Employment Status and Individual Flexible Working Agreement forms to DCIS Employment Services and initiate request for a part-time fixed period contract (via eRecruit);
- On forwarding the CSS benefit application form and associated identification requirements to DCIS payroll;
- On forwarding a copy of the new employment contract and Superannuation Choice of Fund form to DCIS Payroll; and
- On forwarding the NTSSS Opt Out Form for CSS Members to the NT Superannuation Office along with the required identity certification documents.

DCIS Employment Services Unit responsibilities:

- Generating the part-time fixed period contract; and
- Updating the expected separation date in PIPS and initiating the status change (i.e. from ongoing to fixed period) and change in hours once the signed contract is returned.

DCIS Payroll responsibilities:

- Checking that the employee's employment status has changed from ongoing to part-time fixed period;
- Calculating and paying accrued long service leave, on the election of the employee, when transferring to duties at a lower designation;
- Ceasing contributions to CSS at the next available pay date;
- Commencing payment of SG contributions (and any nominated additional contributions) to the employee's chosen superannuation fund;
- Calculating and paying any back adjustment of SG if required;
- Completing the relevant employer certification forms for CSS (SR2-CSS) and NTSSS (Cessation of Membership Employer's Report (Manual 8088) and forwarding to the respective funds in a timely fashion; and
- Liaising with employee, DCIS Employment Services, relevant HR personnel, CSS and/or NT Superannuation Office in respect of required information and outstanding documentation;

Note: DCIS salary packaging will be responsible for requests to change Salary Sacrifice contributions to superannuation as instructed by the employee.

NT Superannuation Office responsibilities:

- Following up on any required information with DCIS and/or employee in respect of NTSSS benefit;
- Processing the NTSSS benefit when completed forms and relevant salary/leave details are received from Payroll; and
- Providing the employee with information about his/her NTSSS benefit.

Note: NT Superannuation Office will process the NTSSS benefit once confirmation of the employee's employment status has been changed in accordance with Determination 3 of 2013 and all required paperwork has been received. Commencement of SG contributions (and voluntary or salary sacrifice if relevant) to the employee's new superannuation fund is the responsibility of the DCIS Payroll section.

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