



The CSS Member Statement Guide

2010-11

for **contributing** members

Find out exactly how your super benefit is calculated and how you can make the CSS work for you.

This is important

The information in this Member Statement Guide is general information only and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider any advice in this Member Statement Guide in light of your personal objectives, financial situation or needs before acting on it. You may wish to contact a licensed financial planner to do this. If you are looking at acquiring a financial product, you should obtain a product disclosure statement and consider its contents before making any decisions.

This document is part of your periodic statement for your CSS super account and was prepared on 15 July 2011 by ARIA ABN: 48 882 817 243 AFSL: 238069 RSE Licence No: L0001397, Trustee of the CSS ABN: 19 415 776 361 CSS RSE: R1004649. The components of your periodic statement are the Member Statement, Transaction Summary and Member Statement Guide. The Annual Report can be found at www.css.gov.au.

We are required to provide you with any additional information you may reasonably need to understand your investment in the CSS, including your benefit entitlements (such as death and invalidity benefits). Details of investment options that may be available to you are also available on request from ARIA. To access or request this information, please contact us as set out in the Contact us section of this Member Statement Guide.

Three simple steps to guide you through

1. Your super details

Your super details

Your value in the Fund is made up of the following components:

Benefit component	What you would have been allocated on exit on 1/7/10	Contributions/ Amounts received 1/7/10 to 30/6/11	Fund earnings 1/7/10 to 30/6/11	What you would have been allocated on exit on 30/6/11
1. Your member component				
consisting of basic contributions and earnings				
and supplementary contributions and earnings				
2. Your productivity component				
3. Super co-contributions				
4. Transfer amounts				
5. Total equity (1+2+3+4)				

Rate of allotment of net earnings 1/7/10 to 30/6/11

The calculation of the rate of allotment of net earnings takes into account fund earnings, your opening balance and other changes to your account balance such as contributions and transfers paid into your account during the reporting period. The net change to your opening account balance is averaged across the year to make this calculation.

Investment option performance

All returns are calculated as the compound average rate of earnings after fees and taxes.

Be aware that long-term performance figures outlined in the Member Statement are for the investment options as a whole and are not your personalised investment returns in CSS. For more information about investments visit www.css.gov.au.

Components of your total benefit

Your member component

Your member component is made up of your personal basic and supplementary contributions and accrued fund earnings (positive or negative) on those contributions.

Your productivity component (if applicable)

Your productivity component is made up of the amount your employer contributes each fortnight (less 15% contributions tax on payments made after July 1990) and any accrued fund earnings (positive or negative) on those employer contributions.

Super co-contributions

This section shows any Australian Tax Office (ATO) super co-contributions made and fund earnings (positive or negative) between 1 July 2010 and 30 June 2011.

If you made personal contributions to the CSS in 2010/11 which qualify for the super co-contribution, you won't receive the payment until after 30 June 2011 (so it won't be shown in this section). This is because you need to lodge your 2010/11 income tax return before the ATO can assess if you're eligible. When they confirm you're eligible, they automatically calculate the amount and deposit it directly into the CSS.

To qualify for 2011/12 super co-contribution you'll need to:

- > have a total income, in the period of 1 July 2011 to 30 June 2012, that is less than the applicable ATO threshold (visit www.ato.gov.au for more information)
- > make a personal contribution to the CSS between 1 July 2011 and 30 June 2012
- > meet the ATO eligibility criteria (see the **Co-contribution** fact sheet at www.css.gov.au).

When you stop working and take your CSS benefit, any super co-contributions you have received will be paid to you as a lump sum. This will be in addition to the benefit you accrued while you were a CSS member.

Transfer amounts

This section shows any amounts you've transferred from other super funds. When you stop working and take your CSS benefit, any transfer amounts will be paid to you as a lump sum. This is in addition to the benefit you accrued while you were a CSS member.

Total equity

This section shows the total value of your equity amounts at 1 July 2010 and 30 June 2011. It includes your member component, productivity component, super co-contributions and transfer amounts.

What you would have been allocated on exit on 1/7/10

This section shows the withdrawal benefit that would have been paid to you if you had ended your membership and your benefit was processed on 1 July 2010.

Contributions/amounts received 1/7/10 to 30/6/11

This section shows your personal basic contributions, supplementary contributions and productivity contributions, along with any co-contributions or transfer amounts, paid into your account during the financial year.

Fund earnings 1/7/10 to 30/6/11 (net)

This column shows the fund earnings for the year, for each component of your benefit (for more information on performance see our **2010/11 Annual Report** at www.css.gov.au).

ARIA determines an earning rate for the Default Fund and Cash Investment Option for every business day. These rates are used to calculate entitlements for members exiting the CSS.

For contributing members, the earnings are allocated monthly on the basis of the rates determined for that month.

Keep in mind that if you leave as an age retiree, your Consumer Price Index (CPI)-indexed pension isn't affected by investment performance, because it's determined by your final superannuation salary, length of membership and age at exit.

The member and productivity components of your benefit, and any super co-contributions or money you've transferred from other funds, are affected by fund earnings. See our **CSS Product Disclosure Statement** at www.css.gov.au for more details.

What you would have been allocated on exit on 30/6/11

The amount stated in the Total equity row of this section shows the amount that would have been paid to you if you had ended your membership and your benefit had been processed on 30 June 2011. It is based on amounts that would have been attributable to your account at that time.

Keep in mind that the amounts on which this information is based may change. You should get more information from us about your benefits before making a claim for your CSS entitlement.

2. Your benefit options

Your benefit options Please refer to your Member Statement Guide for further explanation.

Your resignation benefit	
Your options if you resign	What you would have been allocated on exit on 30/6/11
1. Preserve total benefit in the CSS	
Plus Deferred employer benefit	(generally a deferred CPI-indexed pension entitlement)
OR 2. Lump sum now [†]	
Plus Lump sum paid into a rollover fund	

[†] If you have not reached your preservation age at claim date, payment of your lump sum will be limited to the amount of your SIS upper limit. The remainder will remain preserved in a rollover institution until you reach your preservation age.

Your age retirement benefit	
Your options if you retire	What you would have been allocated on exit on 30/6/11
1. CPI-indexed pension* (per year)	
Plus Lump sum [†]	
OR 2. CPI-indexed pension* (per year)	
Plus Non-indexed pension (per year)	
Plus Lump sum [†]	
OR 3. Lump sum ^{**} (ex-provident account members only)	

* A pension adjusted twice-yearly, based on increases in the Consumer Price Index (CPI).

[†] Includes productivity if administered by ComSuper, any super co-contributions and transfer amounts.

The invalidity and death benefits provided below are the default options provided by the CSS that are payable to either you or your dependants. Please refer to your Member Statement Guide to see if there are any other benefit options available to you. The below amounts have been calculated assuming that your benefit would not be reduced because of the application of a BCC.

Your benefit if you are retired on invalidity	
Your options if you become an invalid	What you would have been allocated on exit on 30/6/11
Maximum pension	
Plus Lump sum	

Your death benefit	
Your eligible spouse's option if you die	What you would have been allocated on exit on 30/6/11
Maximum pension	
Plus Lump sum	
OR	
Lump sum payable to your estate	

Your resignation benefit

If you resign, you can choose one of the following options, depending on your circumstances:

1. Preserve all your benefits in the CSS until you reach your minimum retirement age (generally 55). This will become a deferred benefit which you can take in the following ways:

- > CPI-indexed pension and a lump sum of member and productivity components.

If you're under the age of 60 when you claim your deferred benefit, and not permanently leaving the workforce, any amount of your member component in excess of your SIS upper limit together with your productivity component must be paid into a rollover fund if taken as a lump sum.

- > CPI-indexed pension and a non-indexed pension purchased with member and productivity components.

- > CPI-indexed pension and a non-indexed pension purchased with your member component only and your productivity component as a lump sum.

- > A lump sum, if you're an ex-provident account member and you claim your preserved (deferred) benefit on (or after) reaching the age of 60.

2. You can take your member component as a lump sum up to your SIS upper limit. If your member component is higher than your SIS upper limit, the excess must be paid into a rollover fund along with your superannuation guarantee top-up and productivity component.

If you choose this option, you will forego most of your employer-financed component, which could be the largest component of your benefit. We recommend you seek professional financial advice before selecting this option.

3. You may have the option to pay your CSS benefit (your member, productivity and employer components) as a transfer value into another eligible superannuation scheme. For a list of eligible super funds visit www.css.gov.au.

Any amounts shown on your Member Statement reflect your situation on the date shown and may change. You can use the **CSS i-Estimator** to estimate your resignation benefit and other benefit options at various dates. You'll need an access number to use this service. If you don't have an access number or you've misplaced it call **1300 000 277**.

For more information about your resignation benefit options, see our **Preservation of benefits** fact sheet at www.css.gov.au or call **1300 000 277**.

Your age retirement benefit

If you retire, you can choose one of the following options:

1. CPI-indexed pension and a lump sum of member and productivity components.
If you're under the age of 60 when you claim your age benefit, and not permanently leaving the workforce, any amount of your member component in excess of your SIS upper limit together with your productivity component must be paid into a rollover fund if taken as a lump sum.
2. CPI-indexed pension and a non-indexed pension purchased with member and productivity components.
3. CPI-indexed pension and a non-indexed pension purchased with your member component only and take your productivity component as a lump sum.
4. If you're an ex-provident account member and you retire at the age of 60 or later, you can take your total benefit as a lump sum.

If you're not permanently leaving the workforce, you can postpone the payment of all, or some, of your age retirement benefit.

The amounts shown in this section reflect your benefit at 30 June 2011 and may change. You can use the **CSS i-Estimator** to estimate your retirement benefits and other benefit options at various dates. You'll need an access number to use this service. If you don't have an access number or you've misplaced it call **1300 000 277**.

For more information about your retirement benefit options visit www.css.gov.au or call us on **1300 000 277**.

Your benefit if you are retired on invalidity

As a CSS contributing member you automatically receive permanent invalidity cover at no extra cost.

You're covered for a benefit based on the entitlement you would have received if you'd worked to age 65.

The invalidity benefit shown on your Member Statement is the default option provided by the CSS that is payable to you if you don't select an alternative benefit option. This is option 1 on the following page.

Any amounts shown in this section reflect your situation at 30 June 2011 and may change. They have been calculated assuming that your benefit would not be reduced because of the application of a benefit classification certificate (BCC). If you have a BCC and would like to know the amount of benefit that would be payable on invalidity call **1300 000 277**.

In the event of permanent invalidity, you can choose to:

Option 1

Take the maximum pension option – this is the value shown on your Member Statement and provides you with the maximum pension payable. This includes a CPI-indexed standard pension and an additional (non-indexed) pension. The additional pension is purchased with your basic member contributions and earnings.

Any supplementary member contributions and earnings and your productivity component will be paid to you as a lump sum.

Option 2

Take a CPI-indexed standard pension and a lump sum of member and productivity components.

If you have less than 15 years of contributory membership, and the medical reason for your invalidity retirement is related to a condition on your BCC, you also have the option of taking your entire benefit as a lump sum.

You can use the **CSS i-Estimator** to estimate your invalidity benefit and other benefit options at various dates. You'll need an access number to use this service. If you don't have an access number or you've misplaced it call **1300 000 277**.

For more information about invalidity benefits visit **www.css.gov.au** or call **1300 000 277**.

Your death benefit

If you die while you're a contributing member

If you die while you're a contributing member, the maximum pension your eligible spouse receives is a percentage of the invalidity pension you would have received if you'd retired on invalidity grounds (see Your benefit if you are retired on invalidity).

The various percentages are shown in the second column of the table on page 8.

Your eligible spouse can choose any of the benefit options that would have been available to you if you'd retired for invalidity reasons. For example, if they decided to take a CPI-indexed pension and a lump sum, they would be paid:

- > a pension of 67% of your potential invalidity CPI-indexed pension
- > 100% of the lump sum that you would have received (that is, a lump sum of your member and productivity components).

Other CPI-indexed and non-indexed pension percentages apply if your invalidity retirement is related to a condition on your BCC and you have less than 30 years of prospective membership. For more information about these pension percentages visit **www.css.gov.au** or call **1300 000 277**.

If you die while you're receiving a pension

If you die while you're receiving a CSS pension, your eligible spouse is entitled to receive a pension that's a percentage of the pension being paid to you at the time of your death. The percentage payable will depend on whether you choose the higher dependant pension option when you stop working. The various pension percentages are shown in the table on the following page.

Higher dependant pension option

If you retire on the grounds of age or involuntary retirement, or claim your preserved benefit on age grounds, you can choose to receive a lower pension at that time in return for your spouse and/or children receiving a higher pension when you die (see the table on the right).

You can choose to reduce your pension to 93% of the normal pension rate and, in return, your eligible spouse and/or children will receive a higher pension when you die (see the table on the right).

This option is not available if you retire on invalidity grounds or if you die while you're still a contributing or deferred benefit member.

This table shows the percentage of pension payable where there's one eligible spouse and up to three eligible children.

Calculation of spouse's pension		
Number of dependants	Amount as a percentage of former member's standard rate pension	Amount as a percentage of former member's reduced rate pension*
Spouse only	67%	85%
Spouse and one child	78%	97%
Spouse and two children	89%	108%
Spouse and three or more children	100%	108%

* These percentage rates apply to members who choose the higher dependant pension option when they retire.

If you don't have any dependants, a lump sum made up of your member component, superannuation guarantee top-up and any productivity component will be paid to your estate following your death.

For more information, see our **Death benefits** fact sheet at www.css.gov.au or call 1300 000 277.

3. Other important information

Other important information	
Benefit classification certificate (BCC)	Superannuation guarantee top up
Contributions paid since 30/6/07	Your preservation age
Minimum amount on exit	Your SIS upper limit
Ex-provident account member	Your preserved benefit at 30/6/11
Restricted units	Your restricted non-preserved benefit at 30/6/11
Rejected units	Your unrestricted non-preserved benefit at 30/6/11
Age 60 units	Investment option

Benefit classification certificate (BCC)

If you have a BCC, it will be shown here.

Are you entitled to full cover benefits?

A BCC lists any pre-existing medical conditions that might affect your ability to work to retirement age. If this applies to you, you would have received a BCC following your medical examination when you first joined the CSS. If you have a BCC and the medical reason for a claim for invalidity or death benefits is related to a condition on your BCC, you or your dependants may not be eligible to receive full invalidity or death benefits. In some cases, the benefit is a lump sum only, with no pension options. The BCC will no longer apply if you have 20 years or more of CSS contributory membership.

The death and invalidity estimates shown on your Member Statement are calculated assuming that BCC restrictions don't apply.

Revoking your BCC

If you have medical proof that you're in good health, you can ask ARIA to consider revoking your BCC or reconsider the decision to issue the certificate. If you'd like to discuss this, please call 1300 000 277.

Non-disclosure of a medical condition

If ARIA believes that you didn't properly disclose a pre-existing condition at the time of your medical examination, you or your dependants may not receive full invalidity or death benefits. The pre-existing condition will be subject to the same considerations as if it had been specified on your BCC.

Minimum amount on exit

Your minimum amount on exit (MAE) is a dollar amount that is guaranteed payable regardless of fund performance.

This amount is your account balance at 30 June 2003 plus any member contributions, productivity contributions, co-contributions and transfer amounts (not including earnings) paid between 1 July 2003 and 30 June 2007.

We developed the MAE to make sure a previous change in our earning allocation policy did not retrospectively affect members' accounts.

Your total equity is affected by fund earnings and your MAE is the minimum amount payable when you claim your benefit.

See the **Allocation of CSS fund earnings** fact sheet at www.css.gov.au for more information.

Your preservation age

Superannuation law places restrictions on when you can access superannuation benefits, especially lump sums. One of these restrictions is called your 'preservation age' and it applies in addition to the other restrictions on withdrawing your benefit.

Generally, you need to have reached your preservation age before you can access any cash lump sum.

Preservation age

Date of birth	Preservation age
Before July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

Your SIS upper limit

The *Superannuation Industry (Supervision) Regulations 1994* (SIS) place certain restrictions on the amount of cash lump sum that can be paid to members who are not permanently leaving the workforce, or have not reached their preservation age.

This means if you're not permanently retiring from the workforce or have not reached your preservation age, any cash lump sum paid to you can't exceed your SIS upper limit. Your SIS upper limit is the cash amount you would have received if you'd been involuntarily retired (or retrenched) on 1 July 1999.

Any CSS lump sum amount that's higher than the SIS upper limit must be rolled over to a rollover fund.

IMPORTANT

The following details are based on the assumption that you have not left the workforce.

Your preserved benefit at 30 June 2011

Your preserved benefit must remain preserved in the superannuation system until you:

- > reach your preservation age and leave the workforce permanently
- > reach the age of 65
- > die
- > become totally and permanently incapacitated
- > qualify for release on severe financial hardship or other specified grounds.

Your restricted non-preserved benefit at 30 June 2011

Restricted non-preserved benefits are benefits that can be paid when you stop Australian Government employment, subject to CSS rules. In the CSS, this amount is your member component up to your SIS upper limit.

Your unrestricted non-preserved benefit at 30 June 2011

Unrestricted non-preserved benefits are benefits that can be paid out of a superannuation scheme at any time, subject to CSS rules.

Your Transaction Summary shows transactions on your account between 1 July 2010 and 30 June 2011 including:

- > any payments (including member and productivity contributions, transfer amounts and co-contributions) that were made to your account
- > monthly fund earnings allocated to your account
- > the management costs, fees and any other amount deducted directly from your account
- > contributions tax deducted from your account.

Other management costs	
This approximate amount has been deducted from your investment, and includes all the other management costs that were not paid directly out of your account.	
Management costs deducted from your investment	
Although no amount of management costs has been deducted, directly or indirectly, from your account, investment management costs are deducted before the declaration of earning rates. In that sense, management costs ultimately affect the value of your benefit. The figure below is an amount of management costs representing an estimate of the notional effect of those costs on the value of your benefit. This amount does not represent an actual deduction from your account, nor does it represent the actual effect of management costs on your benefit, as this cannot be determined until you take your benefit. It is an indicative estimate only.	
Proportion of management costs notionally attributable to your investment	
The above amount has been calculated by applying the CSS fund's indirect cost ratio (ICR) to the average of your account balance over the year. The ICR is the ratio of the CSS fund's management costs to the total average net assets of the CSS fund during 2010/11. CSS fund management costs include fees paid to fund managers, custodian fees and other investment-related expenses.	

The **Other management costs** section outlines the approximate amount of management costs deducted from your investment that were not paid directly out of your account. These costs include fees paid to investment managers, custodians and other investment related expenses.

These costs are calculated by applying the CSS fund's indirect cost ratio (ICR) to your average account balance over the year. The ICR is the ratio of the CSS fund's management costs to the total average net assets of the CSS fund during 2010/11.

There can be changes in underlying management costs during the year, so the fund's ICR is likely to change from year to year.

How do management costs affect your benefit?

Management costs are not deducted from your account, but are reflected in the rate of fund earnings. As a contributing member, your CPI-indexed pension, upon leaving as an age retiree, is unaffected by fund earnings (and therefore management costs). However, fund earnings (and the management costs that are reflected in those earnings) will affect your member and/or productivity contributions, super co-contributions and amounts that you have transferred from other superannuation funds.

Additional explanation of fees and costs

Any tax deductions are reflected in the investment return and not in the form of reduced fees or costs.

Feedback

If you have a complaint, you can be sure it will be dealt with as quickly as possible.

To register your complaint

We want you to be completely satisfied with our service, but if you feel you need to make a complaint, just call **1300 000 277**.

If you're not satisfied with the response, ask to speak to a supervisor.

If you still feel the issue has not been explained or resolved to your satisfaction, contact the Complaints Officer:

Email: complaints@css.gov.au

Phone: 02 6272 9081

Fax: 02 6272 9001

Post: CSS Complaints Officer
PO Box 22, Belconnen ACT 2616

If you're still not satisfied

The Superannuation Complaints Tribunal is an independent dispute resolution body set up by the Australian Government to resolve members' complaints. For information about the tribunal visit www.sct.gov.au.

You can lodge a complaint with the tribunal free of charge if you're dissatisfied with our response or if we can't resolve your situation within 90 days. You can contact the tribunal in one of the following ways:

Email: info@sct.gov.au

Phone: 1300 884 114

Fax: 03 8635 5588

Post: Superannuation Complaints Tribunal
Locked Bag 3060
Melbourne VIC 3001

Contact us

If you're making decisions about your super, you can get yourself off to a good start by visiting www.css.gov.au where you'll have easy access to:

- > our CSS Product Disclosure Statement
- > a glossary of terms
- > forms and publications
- > news and information
- > free **At Work for You** workshop dates, locations and booking facility
- > member services online where, with a secure access number, you can:
 - > use the CSS i-Estimator (our online calculator) to estimate your benefit
 - > update your address and contact details
 - > register for an online Member Statement
 - > view and download your Member Statement
 - > pay surcharge and leave-without-pay contribution via BPAY.

If you've lost or forgotten your secure access number, you can reset it in the member services online login area at www.css.gov.au. If you need help with this, or with any other CSS information call us or send us an email

Email: members@css.gov.au

Phone: 1300 000 277

TTY: 02 6272 9827

Fax: 02 6272 9613

Post: CSS Member Services

PO Box 22, Belconnen ACT 2616

For information about investments and CSS governance, contact ARIA in one of the following ways:

Email: secretary@aria.gov.au

Phone: 02 6263 6999

Fax: 02 6263 6900

Post: ARIA

GPO Box 1907

Canberra ACT 2601