Money Mechanics

Strategic Financial Advice

2026–27 EDITION

MONEY MECHANICS E-BOOK

Understanding Public Sector Superannuation

CSS, PSS, MSBS and DFRDB defined benefit super, explained in plain English

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About Us

Scott Malcolm is director and principal consultant of Money Mechanics, a specialist Financial Life Planning firm in the areas of Superannuation, Wealth Creation and Education services.

Our values-based financial life planning process brings together technical expertise and the human touch to create a solution tailored towards your overall life goals. We choose not to take upfront or ongoing commission on financial products, so our clients have a clear fixed fee for advice that isn't tied to any product provider.

Money Mechanics believes in the value of education and financial literacy. There is an array of jargon in the financial world and we aim to demystify it through regular education programs, our podcast and our social channels.

Our mission

To educate and inspire people around their money, so that they can live a rich life. Everything in this e-book starts with your values – the 'why' behind your money decisions – before we get anywhere near products or strategies.

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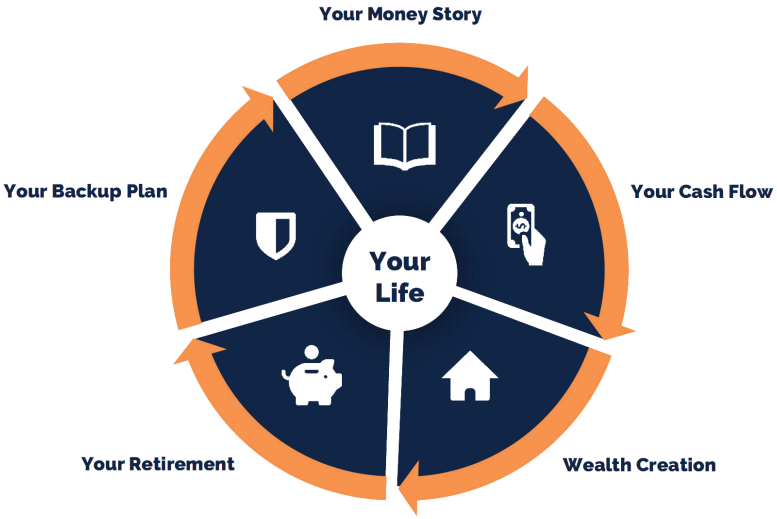
Our Advice Proposition

Money Mechanics brings the following elements together to create your **Financial Decision Making Framework**. It's a fluid process – as your life changes, so does your plan.



Your Life – The who, what, where, when and why this is important to you. This may be a specific financial goal or outcome you are aiming for. What matters most is alignment to what you value and the role money plays in your life. This connects to **Your Money Story** – your conscious and unconscious past behaviours, thoughts and feelings when it comes to money.

Your Cash Flow – What you earn and where it goes, knowing what it really costs to be you. Cash flow management, salary sacrifice and packaging strategies. Your budget should tell your story.

Your Wealth Creation – Pay as you earn, company, family trust, partnership, borrowed funds, regular savings plans and dollar cost averaging strategies and structures.

Your Retirement – Your post-retirement strategies and your ability to sustain your lifestyle without the need to work. Defined benefit, accumulation, self-managed super and retail or industry super funds can be product solutions, as well as top-up amounts through the Centrelink system.

Your Backup Plan – What if the worst was to happen? These are your estate planning and protection strategies – insurances, wills, powers of attorney and testamentary trusts.

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General information only – figures current for the 2026–27 financial year (updated October 2026).

What's Changed for 2026–27

A quick note from Scott

I've spent a big part of my career working with Commonwealth public servants and Defence members, and the question I hear most is: 'Do the new super rules even apply to me?' The answer is yes – just differently. Defined benefit schemes like the CSS and PSS have their own formulas, but the caps, the transfer balance cap, the new Division 296 tax and the tax on your pension still matter.

As always, start with your values and your goals for life. Your scheme is a powerful tool, but it works best when your decisions about when to retire, how to take your benefit and how to top up your super line up with what matters most to you.

What's new from 1 July 2026

- **Concessional cap $32,500 and non-concessional cap $130,000.** Your PSS or CSS member contributions count towards the non-concessional cap.[1,2]
- **Transfer balance cap $2.1 million.** Your CSS or PSS lifetime pension counts towards your cap at 16 times the annual pension.[3,4]
- **Defined benefit income cap $131,250.** This affects the tax concessions on larger defined benefit pensions from age 60.[5]
- **Division 296 is now law.** A notional value of your defined benefit interest counts towards the $3 million threshold, and any tax relating to that interest is generally deferred until you take your benefit.[6,7]
- **Preservation age is 60** for anyone still to reach it – but CSS and PSS members can generally still start a lifetime pension from age 55 if they retire.[8,9,10]
- **Payday Super** applies to employer contributions to accumulation accounts such as PSSap.[11]

Key Numbers at a Glance

The main super limits for last financial year and this one. Most apply to you whether you are in the CSS, PSS, PSSap or any other fund.

Rule	2025–26	2026–27
Concessional (before-tax) cap[1]	$30,000	**$32,500**
Non-concessional (after-tax) cap[1]	$120,000	**$130,000**
Max bring-forward (3 years)[12]	$360,000	**$390,000**
General transfer balance cap[3]	$2.0 million	**$2.1 million**
Total super balance where NCC cap becomes nil[12]	$2.0 million	**$2.1 million**
Carry-forward concessional – balance must be under[1]	$500,000	**$500,000**
Super guarantee rate[13]	12%	**12% – now paid each payday**
Division 296 large balance threshold[6]	n/a	**$3 million (and $10 million)**
Division 293 income threshold[14]	$250,000	**$250,000**
Co-contribution – full amount if income under[15]	$47,488	**$49,293**
Co-contribution – cuts out at[15]	$62,488	**$64,293**
Defined benefit income cap[3]	$125,000	**$131,250**
Untaxed plan cap[8]	$1,865,000	**$1,935,000**
Downsizer contribution (age 55+)[16]	$300,000	**$300,000**

Most caps are indexed to wages (AWOTE) and move in set steps, while the transfer balance cap moves with inflation (CPI).

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What is Superannuation?

Definition:

Superannuation is a taxation strategy to provide a long term or lifetime retirement investment solution. For most Australians, superannuation combined with the family home makes up the largest part of their assets. Yet how much time do we spend researching the purchase of our home compared to our super?

If you haven't spent time getting to know your super, now is the time – understanding your benefits is what lets you enjoy retirement with peace of mind.

Note: your superannuation is held in a separate trust and sits outside of your estate plan and will, so you need to make sure your beneficiary nominations are in place and up to date.

Some questions to think about when it comes to your current superannuation arrangements:

- What do you know about your current super?
- How is it invested?
- Do you know how much superannuation you need to fund your retirement?
- Do you know how tax works in superannuation and how to work with it?
- Does the way your super is invested line up with your values?

Some golden rules:

1. Understand the fund you are in – investments, fees, insurance and benefit options.
2. Be realistic about your retirement lifestyle requirements. What do you need to 'be comfortable'?
3. Your spending habits will change in retirement as you have more 'time'. Make sure you plan for this.
4. Don't leave your superannuation planning too late.
5. Check the rules every year – super is the most adjusted and changed legislation in Australia.

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Public Sector Superannuation Scheme (PSS)

The PSS opened to new members in 1990 and replaced the CSS. It closed to new members in 2005 and was replaced by the Public Sector Superannuation accumulation plan (PSSap), a standard accumulation scheme.

The PSS is a defined benefit scheme for Commonwealth government employees, administered by the Commonwealth Superannuation Corporation (CSC). Your benefit is based on your contributions, your years of membership and your Final Average Salary. PSS benefits are made up of three components:

1. **Member component** – the contributions you have paid, plus fund earnings.
2. **Productivity component** – the fortnightly productivity contribution your employer makes on your behalf, plus fund earnings.
3. **Employer-financed component** – worked out when you leave the scheme.

The employer component is the balance left when your member and productivity components are deducted from your total defined benefit. The total is your **Final Average Salary (FAS)** – typically the average of your last three birthday super salaries – multiplied by your **Accrued Benefit Multiple (ABM)**. The benefit is a lump sum that can then be converted, in part or in full, to a CPI-indexed lifetime pension.[2]

You can contribute 0% or any whole percentage from 2% to 10% of your super salary (the default is 5%). Contributions are made from after-tax pay and are non-concessional contributions.[2] Your benefit multiple generally builds to a maximum of 10 times your FAS, subject to the maximum benefit limit.

Annual benefit multiple accrual by contribution rate[2]

Member rate	First 10 years (260 contribution days)	After the ten-year rule is met
0%	0.11	0.11
2%	0.15	0.15
3%	0.17	0.17
4%	0.19	0.19
5%	0.21	0.21
6%	0.22	0.23
7%	0.23	0.25
8%	0.24	0.27
9%	0.25	0.29
10%	0.26	0.31

How to estimate your PSS lump sum

Work out your years of contributory service and your average contribution rate. If you have worked full time and contributed 5% for 20 years, your benefit multiple is estimated as 0.21 × 20 years = 4.2.

Your benefit multiple is then multiplied by your FAS. So for Harry, with a Final Average Salary of $100,000:

FAS × Benefit Multiple = Lump Sum → $100,000 × 4.2 = **$420,000**

For 2025–26 the PSS maximum benefit limit was $930,000 for average salaries under $93,000, or 10 times average salary above that. It is adjusted each 1 July in line with AWOTE.[2]

PSS pension conversion factors[9]

Age	55	56	57	58	59	60	61	62
Factor	12.0	11.8	11.6	11.4	11.2	11.0	10.8	10.6
Age	63	64	65	66	67	68	69	70
Factor	10.4	10.2	10.0	9.8	9.6	9.4	9.2	9.0

If Harry converts his lump sum into a pension: **Lump Sum ÷ Pension Factor = Pension Amount**

Harry retires at	Calculation	Indexed lifetime pension
Age 55	$420,000 ÷ 12.0	$35,000 a year
Age 60	$420,000 ÷ 11.0	$38,182 a year

When can you access your PSS benefit?

- **From age 55** (the PSS minimum retiring age) you can generally start a lifetime pension if you permanently retire – not working more than 10 hours a week. Any cash lump sum before your preservation age is restricted.[9]
- **From preservation age (60)** and retired, you can take your benefit as a pension, a lump sum or a combination. At least half of your defined benefit must be converted to a pension if you want a pension.
- **From age 60** you can also claim if you stop working or change employer, and your benefit is taxed more favourably.
- **Preserved benefits** must be claimed by age 65. After 65 and three months, the pension option is lost and only a lump sum is available.

> **Scott's tip**
>
> The pension factors reward waiting: Harry's pension is about $3,180 a year higher at 60 than at 55, and it's indexed for life. But five extra years of retirement may be worth more to you. That's a values question, not just a maths one.

Commonwealth Superannuation Scheme (CSS)

The CSS opened to new members in 1976 and closed in 1990.

The CSS is a hybrid defined benefit scheme, which provides a defined benefit income stream and an accumulated lump sum benefit at retirement. Your CSS benefit is made up of three components:

Member component – your contributions plus fund earnings.

Employer-financed component – worked out when you leave the CSS.

Productivity component – a fortnightly contribution made by your employer plus fund earnings.

Depending on how you leave the CSS, you may take your benefit as a CPI-indexed pension and a lump sum, a combination of a CPI-indexed pension, a non-indexed pension and a lump sum, or a combination of a CPI-indexed pension and a non-indexed pension.

> **Technical point**
>
> I am often asked if it is better to pay 5% or 10% into the CSS. All the contributions you make to the scheme come from after-tax money and are non-concessional contributions. The first 5% goes to increase your pension benefit and the second 5% increases your lump sum benefit.
>
> You can't salary sacrifice into the CSS itself, but you can salary sacrifice into PSSap or another complying fund.[2] So you could look at other strategies to improve your income and tax position while keeping the same cash contributions – just remember your $32,500 concessional cap.

There are two parts to the CSS. The first is the defined benefit entitlement (CPI-indexed pension), which has the option of a Deferred Benefit (the '54/11' option – resigning at least two calendar days before your 55th birthday and claiming after 55) or an Age Retirement benefit (from age 55).[17] The deferred benefit can also be accessed under redundancy terms.

The second part is an accumulation benefit that can be taken as a lump sum, used to buy a non-indexed pension, or a mix of both.

Three elements drive your age retirement pension: your years and days of contributory service (slightly different if you were a pre-1 July 1976 or post-30 June 1976 member); your age at exit (a discount of 2% for each year or part year between 60 and 65, and 3% for each year or part year under 60); and your final salary – your actual final salary (not an average), including any previous higher duties or higher salary levels.

How to calculate your age retirement pension

The facts	Harry (pre-76 service period)	Larry (post-76 service period)
Starting point	Age 55, commenced 30/6/1976 25 years and 9 months service Final salary $50,000	Age 55, commenced 1/7/1976 25 years and 9 months service Final salary $50,000
1. Contributory service	First 20 years = 20 × 2.5% = 50% Next 5.75 years don't count **Total = 50%**	First 20 years = 20 × 2% = 40% Next 5.75 years × 1% = 5.75% **Total = 45.75%**
2. Discount factor (retire at 55)	Age 60 to 65 = 5 × 2% = 10% Age 55 to 60 = 5 × 3% = 15% **Total discount = 25%**	Age 60 to 65 = 5 × 2% = 10% Age 55 to 60 = 5 × 3% = 15% **Total discount = 25%**
3. Pension	50% × (1 – 25%) = 37.50% **$50,000 × 37.5% = $18,750**	45.75% × (1 – 25%) = 34.31% **$50,000 × 34.31% = $17,156**

How to calculate your deferred benefit (54/11) pension

Your deferred pension is expressed as a percentage of your accumulated basic contributions and interest when you take your benefit. It is generally compared at age 55, because you can preserve your benefit before your 55th birthday and then take the pension after that date. The pension factor at age 55 is 23.13% of your basic contributions and interest. Between 55 and 60 it increases by 0.374% a year, and from 60 to 65 by 0.5% a year. After 55, you can only use the deferred benefit if you have already preserved your benefit or you are made redundant.

For example, if Harry had $100,000 of accumulated basic contributions and interest at age 55, this would be multiplied by 23.13% to give a pension estimate of **$23,130** – much better than the $18,750 he would be offered as an age retirement pension.

When can you access your CSS benefit?[10]

Contributing and preserved members can generally start a lifetime pension from age 55. Lump sum withdrawals before age 60 are restricted to your SIS upper limit and subject to cashing restrictions. From 60 to 64, and from 65, both pension and lump sum options are generally available.

> **Scott's tip**
>
> Always request a formal benefit estimate from CSC before you set a resignation date. Getting the 54/11 timing wrong by a few days can cost you thousands of dollars a year for the rest of your life.

Military Superannuation and Benefits Scheme (MSBS)

MilitarySuper opened on 1 October 1991 and closed to new members on 30 June 2016.[18] ADF members who joined after that date are in ADF Super, an accumulation fund.

MSBS is one of the most valuable – and most misunderstood – benefits around. It's a hybrid scheme, so your benefit has three parts:

Component	What it is	How it can be paid
Member Benefit	Your own contributions (generally 5% to 10% of super salary, default 5%) plus investment earnings	Lump sum only
Ancillary Benefit	Any extra amounts, such as SG top-ups or rollovers, plus earnings	Lump sum only
Employer Benefit	Final average salary × your employer benefit multiple. Includes the ADF's 3% productivity contributions	Lifetime indexed pension, lump sum, or a mix

How the Employer Benefit is worked out

Your **final average salary** is averaged over your last 1,095 days of service. Your **employer benefit multiple** grows with each year of service:

Years of service	Multiple added per year
Enlistment to 7 years	0.18
7 years 1 day to 20 years	0.23
More than 20 years	0.28

> **Example: Stuart, aged 55**
>
> Stuart leaves the Permanent Forces after 31 years and 236 days with a final average salary of $205,056. His multiple is 7.51, giving an Employer Benefit of **$1,540,158.63**. Using the age-55 pension conversion factor of 12, he could convert it to a lifetime pension of about **$128,347 a year** before tax, paid fortnightly.[19]

Your options when you leave

- **Preserve it:** your benefit can stay in MilitarySuper. The funded part of your Employer Benefit grows with the Balanced option and the unfunded part grows with CPI.[18]
- **Take a pension:** at retirement you can claim the Employer Benefit as a lifetime fortnightly pension, a lump sum or a combination. You can claim the pension from age 55 even if you're working in a civilian job.[19]
- **Take a lump sum:** to take any of the Employer Benefit as cash you must have reached preservation age and retired; otherwise it must be rolled over to another fund. Medical separation may bring invalidity benefits.[19]
- **Spouse pension:** if you die while receiving a pension, your eligible spouse receives up to **67%** of your pension, plus 11%, 22% or 33% for one, two, or three or more eligible children.[20] If you die in service, your spouse can take the Employer Benefit as a lump sum or a pension.[20]

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Defence Force Retirement and Death Benefits (DFRDB)

DFRDB opened on 1 October 1972 and closed to new members on 30 September 1991. Members contribute 5.5% of super salary from after-tax pay until they reach 40 years of effective service, and the ADF pays 3% productivity contributions.[21]

Retirement pay

If you retire with **20 or more years** of effective service (or 15 years and you've reached the retiring age for your rank), you receive a lifetime, indexed fortnightly pension worked out as a percentage of your salary.[22] Officers who retire before their notional retiring age have their pay reduced by 3% for each year below it.

Years of effective service	15	20	25	30	35	40+
Retirement pay (% of salary)	30%	35%	42.5%	51.25%	62.75%	76.5%

Commutation – the big decision

You can exchange part of your future retirement pay for a lump sum of up to **five times** your annual retirement pay. Elect from three months before to 12 months after you retire. Your pension is permanently reduced by the lump sum divided by a life expectancy factor – and it isn't restored if you outlive that life expectancy.[22]

> **Example: David, aged 43**
>
> David's retirement pay is $28,351.33 a year. Commuting five times gives him a lump sum of **$141,756.65**. Divided by the age-43 life expectancy factor of 29.14, his pension falls by $4,864.68 to **$23,486.65 a year** before tax.[22]

Other features to know

- **Indexation:** under 55, pensions rise twice a year with CPI. From 55, they are adjusted in January and July by the greater of CPI and the Pensioner and Beneficiary Living Cost Index, with regard to wages[22] – the 'fair indexation' change from 1 July 2014.[23]
- **Spouse pension:** 62.5% (five-eighths) of the member's pension on death after retirement, ignoring any commutation reduction.[22]
- **Leaving early:** with less than 20 years you may receive a refund of contributions, an SG top-up and, in some cases, a deferred benefit if you move into public employment.[22]
- **Invalidity:** benefits depend on your incapacity for civilian work – Class A (60% or more), Class B (30% to under 60%) or Class C (under 30%). Benefits are generally payable for Class A or B.[21]
- **Tax on invalidity pensions:** after the *Douglas* decision, a veterans' superannuation (invalidity pension) tax offset makes sure affected MSBS and DFRDB members don't pay more tax.[24]

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Received a Membership as Part of a Financial Settlement (Family Law Split)

Separation is one of the hardest transitions in life, and super is often one of the largest assets on the table. If your former partner was in the CSS, PSS, MSBS or DFRDB, you may have received part of their benefit as part of your property settlement. This section is for you.

How a split works

- Splitting super isn't mandatory. Where it happens, a court order or superannuation agreement sets either a **base (dollar) amount** or a **percentage** of the member's benefit to be transferred to you.[25]
- CSC then creates a **new and separate interest** in your name, and you become an **associate** (or associate member) of the scheme.[26]
- What you receive depends on whether your former partner's benefit was in the **payment phase** (already receiving a pension) or the **growth phase** (still contributing or preserved) at the time of the split.[25]

Scheme	Former partner already on a pension	Former partner not yet on a pension
CSS[26]	An associate CSS pension. The CPI-indexed part rises each January and July; any additional pension isn't indexed. Pensions under $1,300 a year can be swapped for a lump sum.	An associate deferred benefit. From preservation age (or at 65) you receive a CPI-indexed pension from the untaxed part plus a lump sum of the taxed part. It can't be rolled out before it becomes payable.
PSS[25]	An associate PSS pension, CPI-indexed each January and July.	An associate preserved benefit. Take it as a pension, a lump sum, or at least half as a pension and the rest as a lump sum. Cash generally needs preservation age and retirement; it can be rolled over from age 55.
MSBS[27]	An associate pension for your life, calculated from the transfer amount allowing for your age and life expectancy, and CPI-indexed each January and July.	Associate A (units in MilitarySuper with investment choice; can be rolled over at any time) and Associate B (grows with the long-term Treasury bond rate; rollover only from 55). Paid as a lump sum from preservation age and retirement, or at 65.
DFRDB[28]	An associate DFRDB pension for your life, CPI-indexed each January and July. Pensions under $1,300 a year can be commuted if you elect within three months.	You don't join DFRDB – you become an associate B member of MilitarySuper. Paid as a lump sum from preservation age and retirement; can't be rolled over before 55.

Family Law Split – What to Think About

For associates

- **An associate pension stops when you die.** There is no reversionary pension for a new partner or your children – the benefit simply ends.[25] Your insurance and estate plan need to fill that gap.
- **Your options are often one-off.** Choosing between a lifetime pension and a lump sum can't usually be undone, so model both against your goals before you elect.
- **Think about the bigger picture.** A lifetime, indexed pension can underpin your retirement income, affect your Age Pension entitlement and count towards your transfer balance cap. Talk to us about how it fits.
- **Keep CSC up to date.** Tell CSC about changes to your address, bank account and tax file number, and keep an eye on the indexation letters each January and July.

For members

- If you're already on a pension, your pension is reduced from the date of the split.[28] It can take several weeks for CSC to apply the change, and any overpayment must be repaid.
- If your benefit is still growing, it isn't reduced straight away – the reduction applies when your benefit becomes payable.[28]
- Update your will, powers of attorney and death benefit nominations after separation.

For both of you

- Get the **family law value** from CSC before you negotiate – it's worked out using a legislated method, and it can be very different from the balance on a statement.[29]
- Get independent legal advice and financial advice before agreeing to a split. The right split depends on age, health, other assets, and the life each of you wants to build next.

> **Scott's tip**
>
> A family law split isn't just a number on an order. It can become a lifetime income stream, so treat the decision as part of your new financial plan – starting with your values and what you want the next chapter to look like.

Caps, Limits and Tax for Defined Benefit Members

This is the part of the rulebook that trips up a lot of public servants. Here are the key 2026–27 rules for CSS, PSS, MSBS and DFRDB members.

Contributions going in

- **Member contributions** to the PSS and CSS are after-tax, so they count towards your $130,000 non-concessional cap. PSS contributions can't be accepted once you turn 75.[2]
- **Employer contributions.** Your fund works out a 'notional taxed contributions' amount for your defined benefit, which counts towards your concessional cap. If your defined benefit interest started before 12 May 2009, this amount is generally capped (grandfathered) at the concessional cap, so the scheme alone won't push you into excess – but it can leave little room for salary sacrifice.[30]
- **Division 293.** If your income plus concessional contributions is over $250,000, an extra 15% tax may apply. For defined benefit members, part of this tax can be deferred until you take your benefit.[14]

Taking a pension

- **Transfer balance cap.** A CSS or PSS lifetime pension is a 'capped defined benefit income stream'. Its special value – the annual pension × 16 – counts towards your personal transfer balance cap of up to $2.1 million.[4,3] For example, a $50,000 a year pension uses $800,000 of the cap, leaving up to $1.3 million for an account-based pension from other super.
- **Tax on your pension from age 60.** Most CSS and PSS pensions come from an untaxed source, so they are taxed at your marginal rate with a 10% tax offset. The offset is limited by the defined benefit income cap of $131,250 for 2026–27.[5]
- **Under 60**, the taxable part of your pension is taxed at your marginal rate.

Large balances – Division 296

From 2026–27 a notional value of your defined benefit interest counts towards your total super balance for the $3 million Division 296 threshold. If you haven't yet taken an end benefit, any Division 296 tax that relates to that interest is generally deferred until later.[7] Members with long service, high salaries and other super should ask for advice on how this applies to them.

> **Scott's tip**
>
> If you are in the CSS or PSS and also have PSSap or another fund, look at your whole picture together. The concessional cap, the transfer balance cap and Division 296 all add your interests together.

Insurance Benefits in the Public Sector Schemes

It is important to note that both the CSS and PSS have insurance and death benefit provisions for members.

As a contributing member, your surviving partner is entitled to 67% of your pension benefit as a minimum, and this increases with each dependent child. It is important to get your insurance numbers done to make sure you have enough overall protection in place in the event of death or disability.

With the CSS, it depends on when you joined the scheme and is worked out on the same factors used to calculate your age retirement pension. More details are on the CSC website (www.csc.gov.au).

With the PSS, insurance cover depends on your level of contributions and your age at the time of death or disablement. Your benefit multiple for insurance purposes is calculated as though you worked until age 60, so you are given prospective membership.

It is important to review your insurance entitlement in the context of your overall plan. This makes sure you have adequate cover to achieve your outcomes should anything happen to you or your partner.

Thinking Back to Our Goals

- When would you like to stop working – and what would you like that next chapter to look like?
- Which of your values do you want your retirement income to support – security, family, travel, giving, time?
- Have you requested an up-to-date benefit estimate from CSC and checked your 54/11 or age 55/60 options, depending on your scheme?
- Are you making the most of the 2026–27 caps through PSSap, salary sacrifice or spouse contributions?
- What changes can you make TODAY to start focusing on your goals in light of your values?

Your Public Sector Super Checklist

Know your scheme

- [ ] Confirm whether you're in the CSS, PSS, PSSap, MSBS, DFRDB or ADF Super – and list any other super funds you hold.
- [ ] Request an up-to-date benefit estimate from CSC.
- [ ] Defence members: understand your MSBS pension or lump sum options, or your DFRDB commutation choice, before you transition.
- [ ] Check your contribution rate and how it affects your final benefit.

Plan your exit

- [ ] Decide when you'd like to stop work, and compare your 54/11 or age 55/60 options, depending on your scheme.
- [ ] Compare taking a lifetime pension, a lump sum, or a combination of both.
- [ ] Understand how your pension counts towards the $2.1 million transfer balance cap (16 times the annual pension).
- [ ] Get advice before resigning, accepting a redundancy or preserving your benefit.

Use the caps

- [ ] Remember your member contributions count towards the $130,000 non-concessional cap.
- [ ] Top up through PSSap or salary sacrifice within the $32,500 concessional cap.
- [ ] Consider spouse contributions or contribution splitting to balance super between partners.

Protect your family

- [ ] Check your scheme's death and invalidity benefits, including your partner's reversionary pension.
- [ ] Run an insurance needs analysis across your whole plan, not just your scheme.
- [ ] Received an associate interest from a family law split? Check your options, and plan for the pension ending on your death.
- [ ] Keep your will, powers of attorney and nominations up to date.

> **Scott's tip**
>
> Defined benefit schemes reward good timing. A few small decisions in your last years of work can make a big difference for life.

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General information only – figures current for the 2026–27 financial year (updated October 2026).

Listen and Learn – Our Podcast

Want to go deeper? Each of these episodes of our podcast, **Money Mechanics with Scott Malcolm**, unpacks a topic from this e-book in plain English – often with a guest expert. Click a title to listen on Apple Podcasts.

Defined Benefit Super – PSS and CSS (with Gianna Thomson) 2021
How the PSS and CSS schemes really work, and the big decisions members face.

Super Changes from 1 July 2026 2026
Payday Super, the Division 296 tax and the indexed contribution caps and balance thresholds.

Redundancy: What It Really Means Emotionally and Financially 2026
Genuine and voluntary redundancy, redeployment rights for public servants, and calm decisions on cash flow, debt and super.
Resources mentioned: Moneysmart – Losing your job | Beyond Blue – Job loss

Divorce and the Public Sector Super Schemes (PSS, CSS) 2021
How defined benefit super is valued and split when a relationship ends.

Age Pension: What It Can Mean for Your Retirement 2026
Eligibility, the income and assets tests, deeming and why a part pension can still be valuable.
Resources mentioned: Moneysmart – Age Pension

Retirement Mindset (with Danielle Brophy) 2023
Getting ready emotionally, not just financially, for the move into retirement.

The Human Side of Retirement: Why Connection Matters 2026
With Phil McAuliffe (Humans:Connecting) and Tatia Power (Inclusee) on purpose, belonging and life after work.
Resources mentioned: Humans:Connecting | Inclusee

Inheritance: Receive Well, Give Wisely 2026
Pausing before big decisions when money comes your way, and planning your own giving well.

Find every episode

Search 'Money Mechanics with Scott Malcolm' on Apple Podcasts, Spotify or your favourite app, or visit moneymechanics.com.au/thehood. Got a question you'd like us to unpack on the show? Email advice@moneymechanics.com.au.

Episodes are general information only. Rules, rates and thresholds change – episodes recorded before 2026 reflect the rules at the time, so check the current position in this e-book or ask us.

How We Work With You

The Money Mechanics Formal Advice Process – a clear five-stage journey designed around you. It always starts with a conversation about what matters to you, not with a product.

1

Connect

We connect to understand your goals and priorities and define the scope of our advice.

2

Collect & Scope

We gather the information we need and explore your current position, goals and opportunities.

3

Design (Analyse + Strategy)

We analyse your situation and design a tailored strategy to help you achieve your goals.

4

Agree & Document (Present + SoA/RoA)

We present our advice and recommendations and document the advice in your Statement of Advice (SoA) or Record of Advice (RoA).

5

Implement & Review

We implement your strategy and regularly review progress to keep you on track.

Advice that's strategic. Personal. Ongoing.

Client focused
Your goals and priorities are at the centre of everything we do.

Expert advice
Thoughtful strategies backed by experience and ongoing education.

Clear communication
We explain things simply so you can make informed decisions with confidence.

Ongoing support
We review, adapt and support you as your life and goals evolve.

Further Resources

Government agencies

Australian Securities and Investments Commission (ASIC) – Moneysmart
Consumer protection regulator for financial services, with free calculators and guides.
Phone: 1300 300 630 Web: moneysmart.gov.au

Australian Taxation Office (ATO)
Information on tax and super, including your caps, carry-forward amounts and lost super (via myGov).
Personal tax: 13 28 61 | Super: 13 10 20 Web: www.ato.gov.au

Commonwealth Superannuation Corporation (CSC)
Administers the CSS, PSS, PSSap and military schemes. Request your benefit estimates here.
Web: www.csc.gov.au

Services Australia – Centrelink and the Financial Information Service (FIS)
Government payments, the Age Pension and free, independent financial information seminars.
Retirement services / FIS: 13 23 00 Web: www.servicesaustralia.gov.au

National Debt Helpline[31]
Free, independent and confidential financial counselling across every state and territory.
Phone: 1800 007 007 Web: ndh.org.au

Complaints, advice and super

Australian Financial Complaints Authority (AFCA)[32]
Free, fair and independent dispute resolution for super, insurance and financial advice. AFCA replaced the Superannuation Complaints Tribunal and the Financial Ombudsman Service.
Phone: 1800 931 678 Web: www.afca.org.au

Financial Advice Association Australia (FAAA)[33]
Find a qualified financial planner or CFP® professional (formerly the FPA).
Phone: 1300 337 301 Web: faaa.au

SMSF Association
Find a specialist SMSF adviser (formerly SPAA).
Web: www.smsfassociation.com

Moneysmart – Losing your job
Steps to manage your money after redundancy or job loss.
Web: moneysmart.gov.au/work-and-tax/losing-your-job

Beyond Blue – Job loss
Support for your wellbeing through redundancy and job loss.
Phone: 1300 22 4636 Web: www.beyondblue.org.au/mental-health/work/job-loss

Australian Securities Exchange (ASX)
Share market information and investor education.
Phone: 131 279 Web: www.asx.com.au

CPA Australia
Represents accountants, including those who provide financial advice.
Phone: 1300 737 373 Web: www.cpaaustralia.com.au

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Web: www.moneymechanics.com.au | Book a chat: calendly.com/moneymechanics

Sources and References

The figures in this edition were checked against the following official and industry sources in October 2026. Super rules change often – always check the current position before acting.

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31. Department of Social Services – Financial counselling and the National Debt Helpline – https://www.dss.gov.au/financial-counselling

32. AFCA – Contact us – https://www.afca.org.au/contact

33. Financial Advice Association Australia – Find a planner – https://faaa.au/find-a-planner/