

Australian Capital Territory Chief Minister, Treasury  
and Economic Development Directorate

## Report on Actuarial Investigation as at 30 June 2025

### Statement of Advice

20 March 2026

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# Section 1: Executive Summary

## Introduction and Scope

- 1.1 This report presents the results of the actuarial investigation conducted as at 30 June 2025 of the ACT Government's superannuation liability in respect of current and former employees who are members of the Commonwealth Superannuation Scheme (CSS) or the Public Sector Superannuation Scheme (PSS) to the ACT Chief Minister, Treasury and Economic Development Directorate ("the Directorate").
- 1.2 From 1 July 1989, the ACT Government became a separate body politic. From that date the ACT Government, including all ACT Government Agencies, has an ongoing financial obligation in respect of its current or former employees who are or have been members of the CSS or the PSS. The total estimated value of these obligations as determined by the actuary at a particular point in time is referred to as the Accrued Superannuation Liability<sup>1</sup>.
- 1.3 A triennial investigation is conducted every three years and includes detailed analysis of the CSS and PSS experience of ACT Government employees, review of the assumptions adopted and projection of the Accrued Superannuation Liability and Emerging Cost Payments. The previous triennial investigation into the Accrued Superannuation Liability of the ACT Government was carried out by Matthew Burgess at 30 June 2023. The results of that investigation were set out in our "Report on Actuarial Investigation as at 30 June 2023" dated 22 March 2024 (the "2023 Triennial Report").
- 1.4 In addition to triennial investigations, an update of the valuation results ("annual actuarial review") is also conducted in each of the years during which no triennial investigation is performed. This is the second annual actuarial investigation since the 2023 Triennial Investigation. The next triennial investigation will be conducted effective 30 June 2026.
- 1.5 This report sets out the following key results:
  - An estimate of the annual payments expected to be made by the ACT Government to the Commonwealth Government to discharge its superannuation obligations. These estimated annual payments are known as the "Emerging Cost Payments" (Appendix F);
  - An estimate of the Accrued Superannuation Liability (as at 30 June 2025) and the projected liabilities in future years in respect of ACT Government employees and former employees who are or have been members of the CSS or the PSS, including liabilities in respect of their dependants (Appendix D); and
  - Determination of the net balance of the amount owed to the Commonwealth Government by the ACT Government as at 30 June 2025 in respect of benefits already paid to that date by the Commonwealth Government. This is known as the "Emerging Cost Surplus/Deficit" (Appendix G).
- 1.6 This investigation has been carried out by Andrew West, FIAA, of WTW and reviewed by Travis Dickinson, FIAA to ensure WTW excellence standards were applied.

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<sup>1</sup> Appendix J contains a Glossary that includes a definition of Accrued Superannuation Liability.

## Membership Data

- 1.7 The results in this report are based on membership data as at 30 June 2025 provided by Commonwealth Superannuation Corporation (CSC). A summary of the membership is shown in the following table:

**Table 1.1 – Membership Summary as at 30 June 2025**

	CSS	PSS	Total
<b>Group A</b>			
Contributors	56	4,397	<b>4,453</b>
Deferred Beneficiaries	46	7,156	<b>7,202</b>
Current Pensioners	5,305	7,305	<b>12,610</b>
Dependent Pensioners	803	475	<b>1,278</b>
<b>Group B</b>			
Contributors	24	2,319	<b>2,343</b>
Deferred Beneficiaries	18	1,936 <sup>1</sup>	<b>1,954</b>
Current Pensioners	1,229	2,723	<b>3,952</b>
Dependent Pensioners	115	118	<b>233</b>

<sup>1</sup> Includes 245 PSS Family Law non-member spouses.

- 1.8 Details of the data and the reconciliation process used to verify the data are contained in Section 3, Appendix B, Appendix H and Appendix I of the report. Data limitations, assumptions and/or methodologies to deal with them are also documented in Section 3 and Section 4.

## Assumptions

- 1.9 As requested, results have been prepared on one set of financial assumptions for ACT Government budgeting purposes.
- 1.10 The following assumptions were made.
- For the purpose of the ACT Government's future budgeting, a discount rate of 5.0% per annum was used, as advised, for the purpose of reflecting the estimate of the Commonwealth Government bond yield over the long term. Also as advised, a salary inflation assumption of 3.0% per annum and price increases (CPI) assumption of 2.5% per annum were adopted for use in conjunction with this discount rate. These are known as the Budget assumptions.
- 1.11 For the Budget assumptions in the most recent annual review conducted as at 30 June 2024, a discount rate of 5.0% per annum, long-term salary inflation of 3.0% per annum and long-term price increases (CPI) assumption of 2.5% per annum were used.
- 1.12 All assumptions used in preparing this report have been discussed and agreed with the Directorate.
- 1.13 The assumptions used for this report are further discussed in Section 5 and set out in detail in Appendix C.

## Methodology

- 1.14 All methodologies have remained the same as those applied for the 2024 Annual Report and 2023 Triennial Report.
- 1.15 Further information on the methodology used is contained in Section 4 and additional information in respect of the Emerging Cost Payments and Surplus/Deficit calculations is in Appendix G.
- 1.16 A Memorandum of Understanding (the Memorandum of Understanding) between the ACT Government and the Commonwealth was agreed on 6 October 2017. This documents the agreed approach used for the calculation of the Emerging Cost Payments, including the Surplus/Deficit, and is consistent with the approach already being used and adopted in this and prior reports.

## Results and Recommendations

### Projected Accrued Superannuation Liability

- 1.17 On the basis of the selected actuarial assumptions, we have determined that the value of the Accrued Superannuation Liability as at 30 June 2025 is \$10,520.1 million;
- 1.18 The Accrued Superannuation Liability at 30 June 2025 of \$10,520.1 million on the Budget assumptions is \$57.3 million higher than the estimated value at 30 June 2025 of \$10,462.8 million provided in the 2024 Annual Report. The main reasons for the variation are:

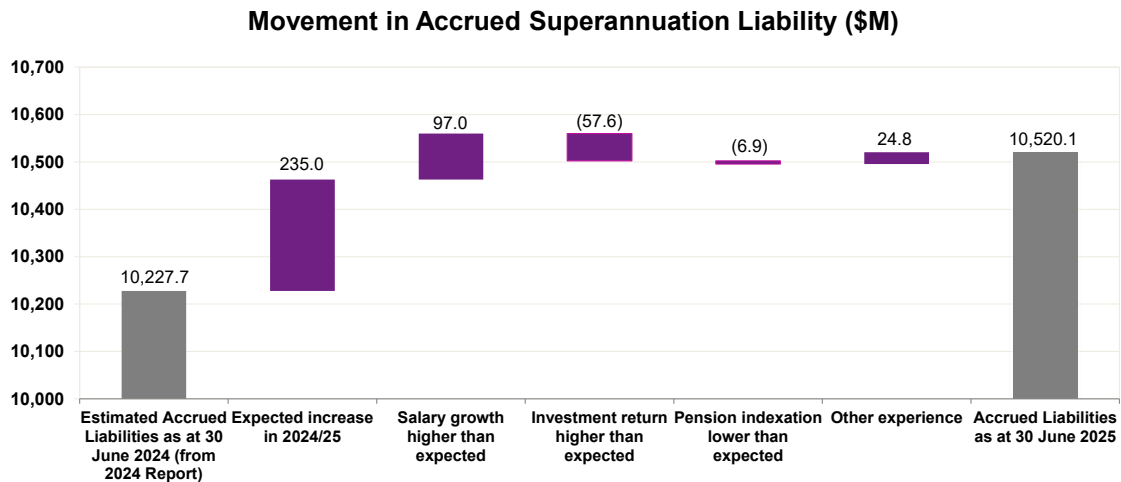
Variation which increased the liability by more than expected:

- Higher than expected rates of salary growth in 2024/25; and
- Other experience different from expected over 2024/25.

Partially offset by variation which decreased the liability:

- Higher than expected investment returns over 2024/25; and
- Lower than expected pension indexation over 2024/25.

- 1.19 The following chart shows the reconciliation of the movement in the Accrued Superannuation Liability from 30 June 2024 to 30 June 2025:



- 1.20 The following table provides a summary of the Accrued Superannuation Liability at 30 June 2025 and the projected Accrued Superannuation Liability for the next five years based on the 5.0% per annum Discount Rate Budget assumptions:

**Table 1.2 – Accrued Superannuation Liability**

As at	Total Accrued Superannuation Liability (5.0% Discount Rate Budget Assumptions) (\$M)
30 June 2025	10,520.1
30 June 2026	10,735.8
30 June 2027	10,933.8
30 June 2028	11,110.5
30 June 2029	11,263.2
30 June 2030	11,390.9

- 1.21 Appendix D in this report sets out estimates of the Accrued Superannuation Liability at 30 June for each of the next 40 years on the Budget assumptions.

## Emerging Cost Payments

- 1.22 The Emerging Cost Payments are the estimates of the annual amounts which the ACT Government is expected to pay to the Commonwealth Government. We have determined the estimated values of the Emerging Cost Payments for each of the next 40 years. The results are set out in Appendix F.

- 1.23 The Emerging Cost Payments for the period beginning 30 June 2025 based on the Budget assumptions are set out below:

**Table 1.3 – Emerging Cost Payments**

Year Ending	Emerging Cost Payments* (Budget Assumptions) (\$M)
30 June 2026 <sup>^</sup>	451.859
30 June 2027	479.372
30 June 2028	502.970
30 June 2029	527.624
30 June 2030	551.716

\* A quarter of each annual payment is assumed to be made at the end of each quarter.

<sup>^</sup> Actual annual payment amount agreed with the Commonwealth Government for the 2025/26 financial year, based on the Emerging Cost Payment estimate from the 2023 Triennial Report.

## Emerging Cost Surplus/Deficit

- 1.24 The Emerging Cost Payments made by the ACT Government for the year ending 30 June 2025 have been reconciled with the payments incurred for individual members who actually left the CSS or the PSS and the pension payments over that period.
- 1.25 As at 30 June 2025 there is an estimated accumulated deficit, the Emerging Cost Deficit, of \$11.134 million due to the actual benefit payments being greater than expected. The Emerging Cost Deficit as at 30 June 2024 was estimated to be \$19.699 million.
- 1.26 Full details of the Emerging Cost Payments and the Emerging Cost Surplus/Deficit are provided in Section 6 and Appendix G of the report.

## Standards

- 1.27 We confirm that this actuarial investigation and report meet the requirements of the relevant Professional Standards of The Institute of Actuaries of Australia, to the extent they apply.

## Reliances and Limitations

- 1.28 This report is based on information available to WTW at the date of this report and takes no account of subsequent developments after that date. In preparing this report we have relied on the information supplied by CSC and the Directorate. In particular we have discussed and agreed the assumptions with the Directorate and relied on the accuracy of the membership data. As agreed with the Directorate, estimates have been used for some calculations. Whilst reasonable care has been taken to gauge the reliability of the data, we provide no guarantee as to its accuracy or completeness and WTW and its affiliates and their respective directors, officers and employees accept no responsibility and will not be liable for any errors or misrepresentations in the data made by any third party.
- 1.29 This report was prepared for the Directorate to use in the context described above under the terms of our engagement and for the purpose indicated. It may not be suitable for use in any other context or for any other purpose and we accept no responsibility for any such use.

1.30 This report was prepared for the sole and exclusive use of the Directorate. It was not prepared for use by any other party and may not address their needs, concerns or objectives. This report should not be disclosed or distributed to any third party other than as agreed with you in writing. WTW and their respective Directors, officers and employees accept no responsibility, nor accept any duty of care or liability to any third party who may obtain a copy of this advice and will not be liable for any consequence howsoever arising from any third party's use of or reliance on this material or the opinions we have expressed.



Andrew West  
Fellow of the Institute of Actuaries of Australia

20 March 2026

## Professional Excellence Standards Review

I confirm that WTW's Excellence standards have been applied in the preparation of this report.



Travis Dickinson  
Fellow of the Institute of Actuaries of Australia

20 March 2026

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## Section 2: Introduction

- 2.1 Superannuation arrangements for ACT Government employees vary due to the type of superannuation scheme available at the time of commencing employment. The relevant arrangements for employees commencing as noted below are:
- prior to 1 July 1990, the Commonwealth Superannuation Scheme (CSS);
  - between 1 July 1990 and 30 June 2005, the Public Sector Superannuation Scheme (PSS);
  - from 1 July 2005 to 5 October 2006, the Public Sector Superannuation Accumulation Plan (PSSap); and
  - from 6 October 2006, the superannuation fund of choice arrangements, with Aware Super (formerly First State Super) as the default arrangement.

### CSS and PSS

- 2.2 From 1 July 1989, the ACT Government became a separate body politic.
- 2.3 An agreement was reached with the Commonwealth Government that permanent ACT Government employees (those transferring from the Commonwealth Government or new employees) could continue to access the Australian Government CSS arrangement. Casual employees were not eligible to join the CSS. The CSS was closed to new members from 1 July 1990.
- 2.4 The Public Sector Superannuation Scheme (PSS) was opened on 1 July 1990 and was compulsory for all ACT Government employees employed in a permanent capacity, unless the employee was an existing CSS member. CSS members could choose to transfer from the CSS to the PSS. Casual employees could elect to join PSS. The PSS was closed to new members from 1 July 2005.
- 2.5 The CSS and the PSS are both defined benefit schemes in which the benefits payable to members are defined in advance according to a set of formulas which are linked to factors such as years of service, final average salary and level of member contribution. Details of the benefits provided by the CSS and the PSS are set out in Appendix A.
- 2.6 The CSS was introduced on 1 July 1976. Its operations are governed by the Superannuation Act 1976, as amended, and associated regulations. The CSS provides an indexed pension and member and productivity financed lump sum benefits that can be converted into a non-indexed pension.
- 2.7 The PSS was established on the basis of a Policy Statement made by the then Commonwealth Minister for Finance on 15 October 1989. Its operations are governed by the Superannuation Act 1990 and a Trust Deed and Rules. In the PSS, the primary benefit is expressed as a lump sum based on a multiple of final average salary that is related to the average member contribution rate and total service. On exit, the benefit may be wholly or partially taken as an indexed pension.

- 2.8 The CSS and PSS are administered by the Commonwealth Superannuation Corporation (CSC). All benefits of the CSS and PSS are paid to members by CSC.
- 2.9 With effect from 1 July 1989 the ACT Government became responsible to the Commonwealth Government for the employer financed portion of superannuation benefits provided to employees of the ACT Government and their dependants. This requirement now applies to benefits provided from both the CSS and PSS.
- 2.10 Under the arrangements agreed to by the Commonwealth Government and the ACT Government, the ACT Government is to reimburse the Commonwealth Government for the cost of superannuation benefits paid in respect of ACT Government employees and former employees who are or were members of the CSS or PSS. This requirement applies to benefits in respect of employment with the ACT Government after 1 July 1989 or such later date as may be agreed between the Commonwealth Government and the ACT Government for agencies that become part of the ACT Government Service after 1 July 1989.
- 2.11 As part of this requirement the ACT Government has a liability in respect of productivity contributions accruing after 1 July 1990. This liability is discharged by contributions made directly to the CSC.
- 2.12 The remaining liability to the Commonwealth Government in respect of benefit payments is discharged by payments from the ACT Government's Superannuation Provision Account (SPA) to CSC. These payments are represented by:
- a. The estimated annual "Emerging Cost Payments" of the employer financed component of superannuation benefit payments; and
  - b. The balancing payment/credit which adjusts the accumulated value of the Emerging Cost Payments with the estimated value of the employer financed component of actual benefit payments for the year.

## PSSap and Other Superannuation Schemes

- 2.13 From 1 July 2005, all new ACT Government employees were required to become members of the Public Sector Superannuation Accumulation Plan (PSSap). Existing CSS and PSS members were not able to transfer. The scheme design is a defined contribution arrangement where employer contributions are made regularly to the scheme on behalf of members.
- 2.14 From 6 October 2006, the ACT Government introduced superannuation fund of choice arrangements for all new employees. Employees can elect to join a superannuation fund of their choice and employees who do not elect a fund and are not stapled to an existing fund will become members of the default superannuation fund, which is currently provided by Aware Super.
- 2.15 The ACT Government's superannuation liability for employees who have either joined PSSap, the default fund or other approved superannuation schemes, is fully funded by regular payments to the schemes and hence they have been ignored for the purposes of this report.

## Superannuation Provision Account

- 2.16 The Superannuation Provision Account (SPA) was established in 1991 to assist the ACT Government in managing its CSS/PSS defined benefit employer superannuation liabilities. The SPA is not a superannuation scheme for ACT Government employees, nor does it receive contributions from ACT Government employees.
- 2.17 The SPA is an ACT Government account which receives appropriations and makes payments to the CSC in connection with the ACT Government's defined benefit CSS/PSS employer superannuation liabilities.
- 2.18 The operations of the SPA are subject to the legislative requirements of the Territory Superannuation Provision Protection Act 2000 and the Financial Management Act 1996.
- 2.19 The Emerging Cost Payments are made by the ACT Government to CSC, from the SPA, and are the means by which the ACT Government's share of the employer financed superannuation benefits is reimbursed. The Memorandum of Understanding dated 6 October 2017 sets out the approach used for this calculation.

## Actuarial Reports and Standards

- 2.20 A triennial investigation is conducted every three years and includes detailed analysis of the CSS and PSS experience of ACT Government employees, review of the assumptions adopted and projection of the Accrued Superannuation Liability and Emerging Cost Payments. The previous triennial investigation into the Accrued Superannuation Liability of the ACT Government was carried out by Matthew Burgess as at 30 June 2023. The results of that investigation were set out in the 2023 Triennial Report dated 22 March 2024.
- 2.21 In addition to triennial investigations, an annual actuarial review is also conducted in each of the years in which no triennial investigation is performed. This is the second annual actuarial investigation since the 2023 Triennial Investigation.
- 2.22 This report complies with relevant Professional Standards of the Institute of Actuaries of Australia. This report is however not required by the Superannuation Industry (Supervision) Act nor APRA's Prudential Standard SPS 160, nor is it an actuarial investigation of a public sector superannuation scheme (although it considers funding obligations under such a scheme) and therefore is not required to comply with Professional Standard 400 of the Institute of Actuaries of Australia.

## Section 3: Data

- 3.1 The results in this report were based on data as at 30 June 2025 provided by CSC and the subsequent responses from CSC to our data queries.
- 3.2 We were provided with the data extract for actuarial purposes, consistent with data provided in previous years. Limitations with the data provided, and the assumptions or methodologies adopted to overcome the limitations, are discussed below.
- 3.3 CSC supplied the following data, for the period from 1 July 2024 to 30 June 2025:

### **Data in respect of “Group A” members:**

- Data of CSS and PSS contributors who were employees of the ACT Government at 30 June 2025, including data in respect of prior memberships; and
- Data of CSS and PSS pensioners and deferred beneficiaries who were employees of the ACT Government on the termination of their employment (or dependants of such employees).

### **Data in respect of “Group B” members:**

- Data of CSS and PSS contributors who were not employees of the ACT Government at 30 June 2025, but were so previously; and
- Data of CSS and PSS pensioners and deferred beneficiaries who were not employees of ACT Government on the termination of their employment but were so previously (or dependants of such employees).

- 3.4 CSC has also provided details of the ACT Employment Ratio for current and previous ACT Government employees, being the ratio of the member’s ACT service period(s) after 1 July 1989 to their entire service. As a result, the Accrued Superannuation Liability calculations recognise estimated service with ACT Government of both current and former employees.
- 3.5 A listing of the ACT Government Agencies as at 30 June 2025 is set out in Appendix B. The listing contains the number of Group A members and their salaries as at 30 June 2025 for each agency.
- 3.6 A summary of the membership of the contributors, deferred beneficiaries and pensioners as at 30 June 2025 is set out below (only members with non-zero ACT employer ratios are shown):

**Table 3.1 – Membership by category as at 30 June 2025**

	CSS	PSS	Total
<b>Group A</b>			
Contributors	56	4,397	<b>4,453</b>
Deferred Beneficiaries	46	7,156	<b>7,202</b>
Current Pensioners	5,305	7,305	<b>12,610</b>
Dependent Pensioners	803	475	<b>1,278</b>
<b>Group B</b>			
Contributors	24	2,319	<b>2,343</b>
Deferred Beneficiaries	18	1,936 <sup>1</sup>	<b>1,954</b>
Current Pensioners	1,229	2,723	<b>3,952</b>
Dependent Pensioners	115	118	<b>233</b>

<sup>1</sup> Includes 245 PSS Family Law members.

3.7 Detailed statistics for the membership data are set out in Appendices H and I.

3.8 Tables 3.2 and 3.3 summarise the key statistics for the membership as at 30 June 2024 and 30 June 2025.

**Table 3.2 – Group A: Membership Summary as at 30 June 2024 and 30 June 2025**

	CSS 30 June 2025	CSS 30 June 2024	PSS 30 June 2025	PSS 30 June 2024
<b>Contributors</b>				
Number of Members	56	89	4,397	4,622
Salaries <b>Total</b>	\$7,397,239	\$12,775,150	\$622,799,323	\$620,408,359
<b>Average</b>	\$132,094	\$143,541	\$141,642	\$134,229
Average Age	60.9	60.3	53.5	53.1
Average Service	30.0	30.3	19.3	18.9
Average ACT Employment Ratio	0.839	0.818	0.871	0.870
<b>Deferred Beneficiaries</b>				
Number of Members	46	58	7,156	7,158
Average Age	60.7	59.8	53.9	53.3
Average Service	16.5	18.1	4.6	4.7
Average ACT Employment Ratio	0.816	0.790	0.898	0.891
<b>Pensioners</b>				
Number of Pensioners	5,305	5,385	7,305	6,936
Average Age	76.5	75.9	70.2	69.8
Total Indexed Pension*	\$158,062,496	\$154,153,521	\$288,580,531	\$259,815,877
Average ACT Employment Ratio	0.629	0.624	0.890	0.890
<b>Dependent Pensioners</b>				
Number of Pensioners	803	774	475	436
Average Age	79.1	78.7	72.2	71.0
Total Indexed Pension*	\$10,288,155	\$9,346,932	\$9,125,450	\$7,981,792
Average ACT Employment Ratio	0.488	0.482	0.860	0.854

\* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

**Table 3.3 – Group B: Membership Summary as at 30 June 2024 and 30 June 2025**

	CSS 30 June 2025	CSS 30 June 2024	PSS 30 June 2025	PSS 30 June 2024
<b>Contributors</b>				
Number of Members	24	32	2,319	2,565
Salaries <b>Total</b>	\$3,623,737	\$4,708,214	\$334,643,421	\$350,322,755
<b>Average</b>	\$150,989	\$147,132	\$144,305	\$136,578
Average Age	58.5	57.0	52.5	52.1
Average Service	33.6	32.4	17.4	17.0
Average ACT Employment Ratio	0.171	0.243	0.215	0.264
<b>Deferred Beneficiaries</b>				
Number of Members	18	22	1,936	2,537
Average Age	58.8	57.9	53.0	52.4
Average Service	13.2	12.7	5.6	5.3
Average ACT Employment Ratio	0.247	0.255	0.400	0.487
<b>Pensioners</b>				
Number of Pensioners	1,229	1,229	2,723	2,572
Average Age	71.2	70.4	66.5	66.0
Total Indexed Pension*	\$15,287,173	\$14,777,447	\$32,031,091	\$30,387,617
Average ACT Employment Ratio	0.219	0.217	0.251	0.255
<b>Dependent Pensioners</b>				
Number of Pensioners	115	109	118	114
Average Age	69.8	68.4	68.7	67.8
Total Indexed Pension*	\$574,690	\$543,551	\$739,734	\$714,693
Average ACT Employment Ratio	0.177	0.179	0.239	0.242

\* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

- 3.9 Detailed checks have been carried out to test the integrity of the data. In addition, we carried out a detailed reconciliation of the current data with the data used for the previous valuation as at 30 June 2024. The reconciliations are contained in Appendix B.
- 3.10 Our data checking and reconciliation process resulted in a number of queries in relation to the data supplied by CSC and these queries were raised with CSC.
- 3.11 We believe all queries raised have been resolved such that we are satisfied that the data is sufficiently reliable for the purposes of this report. Please refer to Section 4 for details of assumptions made in respect of data, noting that they are the same as at 30 June 2024. The assumptions have been agreed with the Directorate.
- 3.12 The results of our reconciliation of the membership data are set out in Appendix B.

# Section 4: Methodology

## Accrued Superannuation Liability

- 4.1 The ACT Government has financial obligations in respect of its current and former employees (and their dependants) who are, or have been, members of the CSS or the PSS. The obligation is to meet the employer financed component of the benefits paid from CSS or PSS to members and their dependants that is attributable to service with the ACT Government on or after 1 July 1989 (or such later date as may apply for specific agencies).
- 4.2 To meet these obligations the ACT Government provides an annual payment to CSC of the estimated amount of the employer financed benefits attributable to the ACT Government for that year. This payment is known as the Emerging Cost Payment. A further balancing payment/credit is subsequently determined to adjust the payments to CSC once the employer financed cost in respect of actual benefit payments has been determined for the year. This payment is known as the Emerging Cost Deficit/Surplus.
- 4.3 The total estimated value of these obligations as determined by the actuary at a particular point in time, taking into account relevant service with the ACT Government up to the valuation date, is referred to as the Accrued Superannuation Liability at that time.
- 4.4 The Accrued Superannuation Liability is therefore an estimate of the amount expected to be paid by the ACT Government to the Commonwealth Government (or CSC) in accordance with the Emerging Cost Payments, but only taking into account relevant service with the ACT Government to the date of valuation.
- 4.5 For the purpose of this determination and consistent with the methodology used to calculate the Emerging Cost Payments, the employer financed component is the total benefit payable (i.e. lump sum benefit and the value of the pension) excluding the following components:
- The amount of the benefit derived from the member financed component, being the accumulated member contributions with interest; and
  - The amount of the benefit derived from the productivity component, being the accumulated productivity contributions with interest.
- 4.6 The portion of the employer financed component recognised in the Accrued Superannuation Liability is based on the service with the ACT Government from the later of:
- a. 1 July 1989;
  - b. the date at which the ACT agency started; and
  - c. the date the member's employment commenced.

## Actuarial Method

- 4.7 The method used by the actuary to determine the value of Accrued Superannuation Liability is known as the 'actual accruals' basis, and is consistent with current practice of the Australian Accounting Standard AASB119 and its requirement to use a projected unit credit valuation approach.

- 4.8 The approach is consistent with that used for the 2023 Triennial Actuarial Investigation and the 2024 Annual Report and also as set out in the Memorandum of Understanding.

### Determination of Service with ACT Government

- 4.9 CSC provides the "ACT Employment Ratio" for each member in the CSS and PSS. The ACT Employment Ratio in respect of a member is the ratio of the member's ACT service period(s) after 1 July 1989 (or relevant later date) to their entire service.
- 4.10 The ACT Government's Accrued Superannuation Liability for each member in the CSS and PSS is valued based on the ratios provided.
- 4.11 Accordingly, the determination of the Accrued Superannuation Liability includes:
- Group A - CSS and PSS members who were employed by the ACT Government at the valuation date (or for whom the ACT Government was their last employer) and their dependants; and
  - Group B - CSS and PSS members who are not currently employed by the ACT Government but had previously been employed (or the ACT Government was not their last employer before they became entitled to a deferred benefit or a pension but was a previous employer) and their dependants.

### Assumptions under the Current Methodology

- 4.12 As a consequence of data limitations, in undertaking the valuation it was necessary to make a number of assumptions regarding the membership. The assumptions set out below and in the remainder of Section 4 affect the Accrued Superannuation Liability, Emerging Cost payments and Emerging Cost Surplus/Deficit:
- Uniform accrual of benefits:** In both the CSS and PSS the accrual of benefits can vary for different periods of service. For example, in the CSS, a higher accrual rate applies for the first 20 years of membership. But the methodology (which applies the ACT Employment Ratio to the total accrued benefit) apportions the benefit by assuming that the accrual of benefits while employed by the ACT Government is the same as while employed by the Commonwealth Government. A similar issue applies to PSS where the employer funded accrual varies depending upon the member contribution rate, but the methodology apportions the benefit assuming a uniform accrual of benefits;
  - Uniform salary increases:** The methodology is based on apportioning the member's final benefit (which is based on their Final Average Salary), in proportion to their length of employment with the ACT Government and Commonwealth Government. For those employees who have had a change of employer, this approach does not reflect the historical salaries earned during their employment with the ACT Government. In other words, the impact of salary increases is shared uniformly among the employers; and
  - Uniform part-time history:** For those employees who have both changed employers and who have a period of part-time employment, the methodology assumes that part-time employment has applied uniformly for the whole period of employment with different employers.

- 4.13 We consider that any approach to deal more accurately with the above assumptions would be complex, requiring further detailed data capture and transfer while noting the difficulties already associated with obtaining satisfactory data. These assumptions are the same as those adopted previously.

## 10 Year Rule

- 4.14 In the PSS the employer's share of the benefit multiple cannot be greater than that which would have accrued if the member contributions had been made at 5% for 10 years (or total membership if less) and 10% for any membership period in excess of 10 years.
- 4.15 This cap is recognised in the 30 June 2025 benefit multiple provided by CSC and therefore will be reasonably reflected in the 30 June 2025 Accrued Superannuation Liability. However, we currently aren't able to allow for the 10-year rule's cap impact on future accruals as there is insufficient information to identify the affected members and determine the cap.
- 4.16 Therefore, the estimated Accrued Superannuation Liability for some PSS members in some future years has been overstated. In our opinion this is not a material difference, and we have continued with this practice in this investigation particularly given the PSS has been closed to new members for over 10 years.

## CSS Non-Indexed Pensions

- 4.17 CSS members can elect to take a lump sum or a non-indexed pension with their member and productivity financed benefits. A majority of the CSS members convert their member and productivity financed benefits into a lump sum.
- 4.18 For those who elect a non-indexed pension, the amounts of pensions being paid are provided by CSC. However, CSC has not provided an apportionment of the non-indexed pensions being paid between the employer-financed component and the member-financed component. An employer financed component exists because the present value of the pension payments is greater than the amount of the member-financed benefit used to purchase the pension.
- 4.19 We have retained our assumption that the employer financed component of the non-indexed pensions is 25% of the overall value. This assumption is as specified in the Memorandum of Understanding.
- 4.20 Basic contributions for CSS members are either 0% or 5% of salary. Members can contribute more than 5% of salary and the excess balance does not directly impact the employer financed benefit. However, members can convert these supplementary contributions into a non-indexed pension which, as outlined above, are assumed to be 25% employer financed. Combined with the assumed proportion of members who elect a non-indexed pension, the impact of the contributions above 5% on the employer-financed component has not been included in the estimate of the Accrued Superannuation Liability and the estimated Emerging Cost Schedule. The impact of this approximation is estimated to be immaterial relative to the amounts involved.

## PSS Indexed Pensions

- 4.21 CSC has supplied the lump sum employer financed component, productivity component and member financed component that were converted to a pension at the date the pension commenced. This allows us to estimate the employer financed component of their PSS pensions. This data is available for approximately 97% of the existing pensioners and is also provided for all emerging pensioners.
- 4.22 When a PSS member converts his/her member or productivity component into a pension, the value of the pension (based on the assumptions used to develop the approach in the Memorandum of Understanding) is expected to be higher than the lump sum value of the benefit due to the generous pension conversion factor. We have continued to assume that 40% of the member/productivity funded pension will be employer financed. This assumption is as specified in the Memorandum of Understanding.
- 4.23 This approach is applied consistently for contributors, deferred beneficiaries and pensioners. It is applied for the current and projected Accrued Superannuation Liability, Emerging Cost Payments and Emerging Cost Surplus/Deficit.
- 4.24 For the remaining approximately 3% of current pensioners for whom the pension component information is not provided, 75% of retirement pension and 85% of invalidity pension is assumed to be employer financed. Consistent with the Memorandum of Understanding, this is based on the average employer financed proportion derived for those with the relevant information provided. The Memorandum of Understanding also specifies these percentages be updated annually and rounded to the nearest 5%. The assumptions are unchanged from last year.

## ACT Employment Ratio

- 4.25 As noted previously in this report the portion of a member's benefit attributable to service with the ACT Government is determined as the product of the member's benefit and their ACT Employment Ratio. The ACT Employment Ratio is calculated as:

$$\frac{\text{ACT service post 1 July 1989 (or later as applicable)}}{\text{Total Service}}$$

- 4.26 In the absence of an accurate employment history of members, this method is considered to be a suitable means of apportioning a member's benefit. However, because many members do not accrue benefits uniformly over their working life, its use gives rise to a number of matters requiring further attention.
- 4.27 For contributing members no longer employed by the ACT Government i.e. Group B members, the ACT Employment Ratio will gradually reduce over time. For members employed by the ACT Government, i.e. Group A, the ACT Employment Ratio will either gradually increase over time or be fixed at 100%.
- 4.28 For the purpose of determining both Emerging Cost Payments and the Emerging Cost Surplus/Deficit, benefits are apportioned using the member's ACT Employment Ratio at the date of payment. However, for the purpose of determining the value of Accrued Superannuation Liability, benefits are apportioned using the members' ACT Employment Ratio at the date of valuation.

- 4.29 In the CSS, the accrual of retirement benefits is highest in the first 20 years of service. This also means that as service increases the average retirement accrual of CSS members with greater than 20 years of service will reduce. As identified under paragraph 4.12, use of the ACT Employment Ratio (in lieu of more detailed information being available) means that liabilities are apportioned uniformly between employers with the result that:
- For Group B members the accrued retirement benefit apportioned to the ACT at 30 June 2025 in respect of service to 30 June 2025 for the purpose of determining the value of the Accrued Superannuation Liability may be greater than the corresponding benefit apportioned to the ACT Government in future years. As a consequence, the Accrued Superannuation Liability determined at 30 June 2025 in respect of these members may be higher than the value which may apply in future years.
  - For Group A members the reverse is true for members with an ACT Employment Ratio of less than 100%. The accrued retirement benefit apportioned to the ACT at 30 June 2025 in respect of service to 30 June 2025 may be less than the corresponding benefit apportioned to the ACT in future years.
- 4.30 Accounting Standards allow the approach we have adopted for valuing the Accrued Superannuation Liability and we consider it an appropriate method to value benefits accrued in respect of service to the valuation date. In the past we have tested the sensitivity of the Accrued Superannuation Liability to this approach by allowing for the changes in the ACT Employment Ratio in calculating the accrued retirement benefit and it was found that the impact is not significant.
- 4.31 The assumption of uniform accrual is not expected to be as material for the PSS due to the more even accrual of benefits over the service period. However, the accrual of the employer financed benefit can be uneven because of factors such as:
- Members changing their contribution rates; and
  - Variable crediting rates affecting the amount of the member financed benefit being deducted from the total benefit to calculate the employer financed benefit.

## Preservation Rules

- 4.32 In both the CSS and PSS, legislated preservation requirements impact when members can receive their benefits. In particular, the benefits for PSS members joining on or after 1 July 1999 must be preserved and it continues to be assumed that all resignation benefits must be retained within the Scheme. For members who joined prior to 1 July 1999 the preservation requirements have not explicitly been allowed for but are implicitly allowed for because the assumptions around benefit options taken by members reflect experience (refer to Appendix C).

## PSS Pre 1996 Transfer Amount

4.33 Transfer amounts received prior to 1 January 1996 from another superannuation fund into the PSS can be taken as either a pension or a lump sum with amounts equal to:

- For pensions: calculation based on the “transfer multiple amount” being the transfer multiple multiplied by Final Average Salary. The transfer multiple is calculated at the transfer date by dividing the transfer amount into the PSS by the Final Average Salary at that date.
- For lump sums: the greater of the “transfer multiple amount” and the accumulated transfer amount (i.e. the original transfer amount increased with earnings).

4.34 For current pensioners we continue to assume that:

- 40% of the pension converted from the transfer amount is funded by the employer (i.e. the same treatment as member or productivity components);
- Any shortfall (where the transfer multiple amount is greater than the accumulated transfer amount) is funded by employer; and
- Any excess amount (where the accumulated transfer amount is greater than the transfer multiple amount) is used to offset the employer liability.

4.35 For current contributors, due to data limitations, in calculating the Accrued Superannuation Liability we have assumed that the transfer amounts will fully fund the additional transfer benefits irrespective of whether they are taken as a pension or a lump sum. This may understate the employer financed component when the transfer amount is converted to a pension or if the accumulated transfer amount is less than the transfer multiple amount. Based on our estimation, the potential impact as at 30 June 2025 on the Accrued Superannuation Liability would not be material relative to the amount of liabilities.

4.36 For deferred members, CSC has advised that:

- The accumulated transfer amount is included in the member and productivity components provided; and
- The excess of the transfer multiple amount over the accumulated transfer amount (if any) is reflected in the employer financed component provided.

Therefore, the Accrued Superannuation Liability allows for the impact of the pre 1996 transfers for deferred members.

## New CSS and PSS Contributors

- 4.37 Because CSS and PSS are closed to new entrants, no allowance has been made for new entrants for the purpose of this valuation.
- 4.38 However, new entrants for ACT liability recognition could emerge when:
- a. The ACT Government re-employs a former ACT Government employee who retains a PSS/CSS deferred/preserved benefit. Such members are able to commence a new contributory PSS/CSS membership. Eventually the deferred/preserved benefit membership record will be consolidated with the new contributory record.
  - b. The ACT Government employs a former Commonwealth Government employee who retains a PSS/CSS membership. Such members are also able to commence a new contributory membership and eventually all past memberships will be consolidated.
  - c. Former ACT Government employees who retain a deferred/preserved benefit are employed by the Commonwealth Government. Such members are able to recommence their contributory PSS/CSS membership and eventually all past memberships will be consolidated.
  - d. ACT Government employees with multiple linked memberships are consolidated into a new membership record during the year.
  - e. A number of other minor causes including members being reinstated or having a new record created as a result of a change in their surname.
- 4.39 In each of these cases, the increase in superannuation liability will relate only to the future employment with the ACT Government, as the liability in relation to their previous deferred/preserved benefit or PSS/CSS membership is already appropriately reflected in the Accrued Superannuation Liability.
- 4.40 Because we have not allowed for the future service liability of new entrants, the Accrued Superannuation Liability projections at future dates may be understated. The liability of the new entrants will, of course, be recognised in the Accrued Superannuation Liability calculation following their joining and their impact (if significant) identified in the reconciliation with the projected liability calculated in the previous year.
- 4.41 The membership reconciliations in Appendix B show that there were 211 new CSS and PSS contributory members in Group A over the year to 30 June 2025, compared to 257 new entrants over the year to 30 June 2024.
- 4.42 The number of new entrants continues to be small, and we expect it will reduce over time. This is expected for schemes which have been closed for a long time, resulting in a reducing pool of existing CSS/PSS members or deferred members from which new entrants may arise. For this reason, we expect that the number of new entrants to the ACT Government's superannuation liability will continue at similar or reduced levels but are not expected to materially increase. Further, the age of the group of possible new entrants is increasing, so that the possible future service with the ACT Government is consequently also reducing.
- 4.43 The impact of new entrants will in any case be recognised gradually as they occur.

## Family Law

- 4.44 We have 132 contributors and 67 deferred beneficiaries (i.e. 1.2% of contributors and deferred beneficiaries membership) with a family law split and data associated with their former spouses.
- 4.45 For CSS we calculate the Accrued Superannuation Liability by valuing members' entire benefit prior to the family law split. This approach is reasonable for CSS because the split occurs when the benefit is paid.
- 4.46 For PSS members we have been provided with sufficient information to value the benefit of the original member (post-split) and the family law beneficiary separately.
- 4.47 For the purpose of valuing the Accrued Superannuation Liability and Emerging Cost Payments, the benefit entitlements of the PSS non-member spouses are valued in the same way as other deferred beneficiaries. In particular, for the employer component of the PSS non-member spouse entitlement, we assume the family law entitlement increases in line with CPI instead of the 10-year Commonwealth Government bond rate. Based on our assessment, we do not expect this approach to have a material impact relative to the total liability and payment amounts.
- 4.48 When the benefits are paid, the relevant data is available for the Emerging Cost Surplus/Deficit to be more accurately estimated.

## Other Data Assumptions

- 4.49 We noted a number of data issues and limitations which required the use of estimates in calculations:
- a. No information was available in relation to the service ratios for Casual employees and additional salary information was used to estimate the service ratios for these employees (i.e. we used the actual salary paid and the amount of the full-time equivalent salary for the year to 30 June 2025 to estimate the service ratio). As there is a relatively small number of casual members, this is not expected to have a material impact relative to the total amounts.
  - b. Prior to 2005 some members may have accrued a surcharge debt. For any such members a surcharge debt account is maintained and credited with interest at the ten-year Commonwealth Government bond yield. The balance of the surcharge debt account is paid to the Australian Tax Office when the relevant member's benefit becomes payable and the amount of their benefit is reduced by the amount of the surcharge debt. We do not have sufficient data to ensure we are calculating the amount of employer financed benefits correctly for members who have had a surcharge liability. While we expect that the amounts would be immaterial, we do not have the data to confirm this.

## Emerging Cost Payments

- 4.50 The Emerging Cost Payments schedule sets out the estimated future cash flows resulting from the employer financed component of superannuation benefits payable after 30 June 2025.
- 4.51 The Emerging Cost Surplus/Deficit arises from the difference between the Emerging Cost Payments made by the ACT Government to the Commonwealth Government (based on the estimates) and the ACT financed benefit payments derived from actual benefit payments data. The Emerging Cost Surplus/Deficit at 30 June 2025 consists of:
- a. That part of the Emerging Cost Surplus/Deficit as at 30 June 2024, as calculated in the 2024 Annual Report, which had not been paid at 30 June 2025, with interest; and
  - b. The Emerging Cost Surplus/Deficit arising during the period 1 July 2024 to 30 June 2025, with interest.
- 4.52 The Emerging Cost Surplus/Deficit arising during the period 1 July 2024 to 30 June 2025 is estimated based on the ACT financed benefit payments (determined using exit information and pensioners data at 30 June) and ACT Employment Ratios provided by CSC. The ACT financed benefit payments are multiplied by the relevant ACT Employment Ratio, and the total compared to the Emerging Cost Payments for the year.
- 4.53 Because of limitations in the data provided, assumptions are required to determine the employer financed portion of PSS pension payments that were converted from the member financed component and the productivity component. Similarly, assumptions are required to determine the employer financed portion of the unindexed CSS pension payments that were converted from the member financed component and the productivity component. These assumptions are specified in the Memorandum of Understanding.
- 4.54 In Section 3 and earlier in Section 4 of this report various limitations in the data were identified and the method used to overcome these limitations discussed, those methods often involving estimates. Where relevant these estimates also apply to the calculation of the Emerging Cost Surplus/Deficit.
- 4.55 In the determination of the Emerging Cost Surplus/Deficit as at 30 June 2025, interest is applied to take into account the different timing of the starting Emerging Cost Surplus/Deficit as at 30 June 2024, the Emerging Cost Deficit Payment (or Surplus Credit), the Emerging Cost Payments made by ACT during the year, and the ACT financed benefit payments during the year. The effective interest rate applied in the calculation is the geometric average yield on one-year Australian Commonwealth Government bonds at the end of each month over the year to 30 June 2025.
- 4.56 Please refer to Appendix G for more information on the method and assumptions used to calculate the Emerging Cost Surplus/Deficit.

# Section 5: Financial and Demographic Assumptions

- 5.1 The calculation of the Accrued Superannuation Liability and Emerging Cost Payments require assumptions about the future experience of the membership of the CSS and PSS and the future financial experience, due to the long-term nature of the liabilities.
- 5.2 These financial and demographic assumptions are detailed in Appendix C. The assumptions in respect of the data and methodology used are summarised in Sections 3 and 4.
- 5.3 All assumptions used in preparing this report have been discussed and agreed with the Directorate.

## Financial Assumptions

- 5.4 Results have been prepared on only one set of financial assumptions this year:  
  
For the purpose of the ACT Government's future budgeting, a discount rate of 5.0% per annum was used, as advised, for the purpose of reflecting the estimate of the Commonwealth Government bond yields over the long term. Also as advised, a salary inflation assumption of 3.0% per annum and price increases (CPI) assumption of 2.5% per annum were adopted.
- 5.5 In the most recent annual review conducted as at 30 June 2024, a discount rate of 5.0% per annum, long-term salary inflation of 3.0% per annum and long-term price increases (CPI) assumption of 2.5% per annum were used.

## Demographic Assumptions

- 5.6 The demographic assumptions adopted for this investigation were the same as those adopted for the 2024 Annual Report and the 2023 Triennial Report.

# Section 6: Results

## Projected Accrued Superannuation Liability

- 6.1 On the basis of the assumptions set out in Appendix C, we have determined that the value at 30 June 2025 of the Accrued Superannuation Liability attributable to the ACT Government in respect of current and former members of CSS and PSS is \$10,520.1 million.
- 6.2 The Accrued Superannuation Liability at 30 June 2025 on the Budget Assumptions of \$10,520.1 million is \$57.3 million (or 0.5%) higher than the estimated value at 30 June 2025 of \$10,462.8 million provided in the 2024 Annual Report. The main factors contributing to the variation in the liability are summarised below:
- a. **Experience in 2024/25 being different from expected**
    - i. **Salary growth was higher than assumed:** The salary increase rate over the 2023/24 financial year was 5.0% for CSS contributors and 5.7% for PSS contributors which includes both inflationary and promotional increases. These increases in salary were 2.0% and 2.4% higher than the assumptions for CSS and PSS, respectively, after taking into account the expected inflationary salary increases of 3.0% and promotional salary increases, resulting in a net increase in the liability.
    - ii. **Crediting Rates on Member and Productivity Accounts were higher than assumed:** Investment of the Member and Productivity Accounts in CSS and PSS is managed by the CSC. The default fund earning rate over the financial year 2024/25 credited to member and productivity accounts was 10.58% and 10.42% for CSS and PSS, respectively<sup>1</sup>. It was higher than the assumed rate of 5.0% per annum. This leads to:
      - Higher accumulated member contributions for CSS members, which increases the employer financed liabilities which are linked to the members' account (for example the age 54/11 benefit); and
      - A decrease in the employer financed PSS liability which is determined by deducting the member and productivity components from the total benefit. Higher than expected earning rates increases the value of the member and productivity components which in turn decreases the overall employer financed liability.
    - iii. **Pension indexation was lower than expected:** The pension indexation rate over the 2024/25 financial year was 2.4% which was slightly lower than the assumed rate of 2.5%. This has the effect of decreasing the pension liabilities for current pensioners and the employer financed component for PSS deferred beneficiaries.
    - iv. **New members:** The impact of new entrants/re-joiners. This has the impact of increasing the liability.
    - v. **Other experience different from expected:** For example, the pension take-up on retirement for PSS contributors or the number of exits being different to assumed.

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<sup>1</sup> Sourced from the CSC website. The CSS and PSS earning rates were disclosed differently in two locations, but the difference is not material for the purpose of the results in this report.

b. **Assumptions changes**

- i. There were no changes in financial assumptions.

Overall, the combined effect of these experience and assumption items was to increase the liabilities by \$57.3 million over the year to 30 June 2025.

- 6.3 The estimated impact of the changes in the Accrued Superannuation Liability due to the reasons stated above are presented in the table below:

**Table 6.1 – Explanation of change in Accrued Superannuation Liability as at 30 June 2025**

	(\$ Million)
Projected Accrued Superannuation Liability at 30 June 2025 (based on 30 June 2024 membership data and legacy valuation software)	10,462.8
Changes due to experience and membership movements being different from expected:	
Salary growth higher than expected	97.0
Crediting rates higher than expected	(57.6)
Pension indexation lower than expected	(6.9)
New and appearing contributors	17.4
Other variations	7.4
Changes due to demographic and financial assumptions:	
No change in demographic and financial assumptions	-
Accrued Superannuation Liability at 30 June 2025 (based on 30 June 2025 membership data)	10,520.1

### Future Values of Accrued Superannuation Liability

- 6.4 The tables in Appendix D of the report show the estimated values of the Accrued Superannuation Liability at 30 June for each of the next 40 years beginning 30 June 2025, for the Budget assumptions. The results in the tables have been split between the CSS and the PSS, and further sub-divided between active and inactive members.

- 6.5 The following table provides a summary of the Accrued Superannuation Liability at 30 June 2025 and the projected Accrued Superannuation Liability for the next five years based on the Budget assumptions:

**Table 6.2 – Accrued Superannuation Liability**

	Total Accrued Superannuation Liability (\$M)
30 June 2025	10,520.1
30 June 2026	10,735.8
30 June 2027	10,933.8
30 June 2028	11,110.5
30 June 2029	11,263.2
30 June 2030	11,390.9

- 6.6 The expected duration of the liabilities as summarised in the table below gives the weighted average term until benefit payments are expected to occur. It provides a measure of how sensitive the movement of liability is to the movement of interest rates. For example, the value placed on a liability with a longer duration tends to move up or down more (in relative movement) as interest rates change than one with a shorter duration. The duration of the CSS liability is lower than for the PSS liability because it has been closed to new members for a longer period.

**Table 6.3 – Expected Duration of Liabilities**

	Current Contributors	Current Deferred Beneficiaries	Current Pensioners	Total
CSS	16.1	15.3	10.3	10.5
PSS	21.6	20.6	11.8	17.0
<b>Total</b>	<b>21.5</b>	<b>20.3</b>	<b>11.2</b>	<b>15.5</b>

### Projections of Emerging Cost Payments

- 6.7 On the basis of the assumptions set out in Appendix C, we have estimated the annual Emerging Cost Payments in respect of the CSS and PSS members for each of the next 40 years beginning 30 June 2025. The tables in Appendix F show the results of these determinations. Appendix G sets out the methodology used.
- 6.8 The results for the first five years are summarised below in Table 6.4 which also shows the Emerging Cost Payments arising from the three membership categories within CSS and PSS of contributors, pensioners (including dependent pensioners) and deferred beneficiaries.

**Table 6.4 – Projection of emerging cost payments**

Year Ending	Current Contributors		Current Pensioners	Current Deferred Beneficiaries	Total
	CSS (\$M)	PSS (\$M)	(\$M)	(\$M)	(\$M)
30 June 2026 <sup>^</sup>	2.113	33.239	405.787	10.720	451.859
30 June 2027	1.440	33.802	433.427	10.703	479.372
30 June 2028	1.963	48.122	439.294	13.591	502.970
30 June 2029	2.352	63.354	444.645	17.271	527.624
30 June 2030	2.685	79.486	449.392	20.153	551.716

<sup>^</sup> Actual annual payment amount agreed with the Commonwealth Government for the 2025/26 financial year, based on the Emerging Cost Payment estimate (Budget) from the 2024 Annual Report.

### Emerging Cost Surplus/Deficit as at 30 June 2025

- 6.9 The Emerging Cost Payments made by the ACT Government in any year are based on estimates in prior years' reports. The actual benefits payable to the CSS and PSS may be different to the estimated amount. Hence, the Emerging Cost (Surplus)/Deficit calculation is performed on a yearly basis to account for the difference between the amount paid by the ACT and the actual benefit payments incurred during the year.
- 6.10 The reconciliation of the Emerging Cost (Surplus)/Deficit amount at 30 June 2025 is provided in the table below:

**Table 6.5 – Emerging cost (Surplus)/Deficit at 30 June 2025**

	(\$M)
(Surplus)/Deficit as at 30 June 2024	19.699
Surplus Credit/(Deficit) Payment	(19.699)
Emerging Cost Payments in 2024/25 <sup>^</sup>	(421.947)
Employer Financed Benefit Payments in 2024/25	430.142
Interest Component	2.939
(Surplus)/Deficit as at 30 June 2025	11.134

<sup>^</sup> The Emerging Cost Payments of \$421.947 million for year 2024/25 were based on the projections from the 2023 Report. Accordingly, ACT Government has made the first three quarterly payments of \$105.487 million each in 2024/25. However, the last quarterly payment in 2024/25 was adjusted to be \$125.186 million to reflect the Deficit of \$19.699 million.

Further details including the breakdown of the actual member benefit payments are summarised in Appendix G.

- 6.11 As at 30 June 2025 the accumulated deficit was \$11.134 million. As at 30 June 2024, there was an accumulated deficit of \$19.699 million.
- 6.12 The deficit of \$11.134 million as at 30 June 2025 was a result of the employer financed component of the actual benefit payments (including interest) during the year to 30 June 2025 being more than the Emerging Cost Payments. The primary reasons for this variation are set out in the table below:

**Table 6.6 – Emerging Cost (Surplus)/Deficit Analysis**

		(\$)
<b>1.</b>	<b>Variation – CSS Payments</b>	<b>3.598</b>
a.	A difference arising from changes in membership due to the initial Emerging Cost Payments being an estimate from the 2023 valuation (as opposed to the 2024 valuation).	3.100
b.	Other experience in 2024/25 compared to that expected.	0.498
<b>2.</b>	<b>Variation – PSS Payments</b>	<b>4.597</b>
a.	A difference arising from changes in membership due to the initial Emerging Cost Payments being an estimate from the 2023 valuation (as opposed to the 2024 valuation).	6.506
b.	Variation due to differences between actual and expected proportion of benefit taken as pension over 2023/24	(1.840)
c.	Other experience in 2024/25 compared to that expected.	(0.069)
<b>3.</b>	<b>Interest Component</b>	<b>2.939</b>
<b>Total</b>		<b>11.134</b>

# Appendix A: Summary of Benefits and Conditions

## The Superannuation Act 1990 (PSS)

### Membership

The PSS was closed to new members from 1 July 2005.

### Superannuation Salary

From July 2003, this is the amount agreed between the member and employer through a certified agreement or Australian Workplace Agreement. If no such agreement is in place, Superannuation salary is basic salary plus any recognised allowances.

### Final Average Salary

Final Average Salary is the average superannuation salary on the three birthdays before leaving the PSS.

### Member Contributions

Members can choose to contribute at any rate between 2% and 10% of superannuation salary, or not contribute at all. Contributions are paid fortnightly. The rate of contribution can be varied at any time.

### Benefit Multiple

A member's Benefit Multiple is the sum of the accrual rate for each year of membership. The accrual rate varies with member contribution rate and is set out in the table below:

Member Contribution Rate	Annual Accrual Rate
0%	0.11
2%	0.15
3%	0.17
4%	0.19
5%	0.21
6%	0.23
7%	0.25
8%	0.27
9%	0.29
10%	0.31

Example: A member who contributes at 5% for 10 years will have a Benefit Multiple of 2.1.

## Preservation

For members who joined from 1 July 1999 all benefits must be preserved until a legislated condition of release such as permanent retirement occurs. For members who joined prior to 1 July 1999 preservation may partially restrict the lump sum benefit options available to some members as described below.

## Benefits

The benefits from the PSS consist of three parts:

- employer financed component is determined as the Total Benefit net of the productivity and member component. This component is an untaxed benefit.
- productivity component is made up of accumulated productivity contributions with investment earnings. This is a “taxed benefit”.
- member component made up of accumulated member contributions with investment earnings. The investment earnings are a “taxed benefit”.

## Total Benefit

A member’s Total Benefit is calculated by multiplying the member’s Benefit Multiple by his or her FAS. A member’s Benefit Multiple increases with each contribution made as follows:

$$= 2 \times \text{Member Contribution Rate} + 0.11 \text{ (per year of service)}$$

The employer financed component is calculated by deducting the member component and the productivity component from the total benefit.

## 10 year Rule - Restriction on Employer’s Share of Benefit Multiple

Employer’s share of Benefit Multiple cannot be greater than that which would have accrued if member contributions had been made at 5% for 10 years (or total membership if less) and 10% for any membership in excess of 10 years.

On death or disablement the 5% maximum average applies to prospective service until the 10-year period is notionally completed.

## Maximum Benefit

The maximum benefit allowable under the PSS is known as the Maximum Benefit Limit (MBL). On reaching the MBL, a member will cease contributing to the scheme. The MBL for the 2025/26 financial year is set out as below:

Average Salary	Maximum Benefit
Less than \$93,000	\$930,000
\$93,000 and over	10 times average salary

## Retirement Benefits

Retirement benefits are payable upon retirement after minimum retiring age (usually age 55).

The options on retirement are as follows:

- **Lump sum benefit** – The three benefit components can be taken as a lump sum;
- **Pension benefit** – The three benefit components can be taken as an indexed pension;
- **Lump sum plus pension benefit** – The benefits can be taken as a pension (subject to a minimum of 50% of the total benefit) and a lump sum; or
- **Preserve total benefit** – The total benefit can be preserved in the PSS and later taken as a lump sum, indexed pension or a combination of both.

While a benefit is being preserved in the PSS, member and productivity components are increased at the Fund allocation rate and the employer financed component is adjusted annually in accordance with the Price Increases (CPI).

Lump sums are converted into indexed pensions by dividing by the factors in the following table.

Age	Factor
70	9.0
65	10.0
60	11.0
55	12.0

## Invalidity Retirement

The following benefit choices are available on retirement on medical grounds before reaching age 60:

- **Invalidity pension with no lump sum** – This option provides for the payment of the three benefit components as an indexed pension. Under this option, the total benefit is calculated based on potential service to age 60 (assuming that the member will continue to contribute at their current rate or 5% if more, but subject to a maximum average contribution of 5% for the first 10 years of service, actual or potential). The total benefit is converted to an indexed pension using the same factors used to convert the age retirement pension but assuming that the member is aged 60 at the time of invalidity retirement;
- **Invalidity pension with a lump sum** – Under this option, the member component can be taken as a lump sum. The remainder must be taken as an indexed pension. The total benefit is calculated based on service to age 60 and the amount in excess of the member component is converted to an indexed pension.

After age 60 the retirement benefit is paid on invalidity.

### Death of a Contributor

- **Full pension with no lump sum** – A pension payable at the rate of 67% of the invalidity pension that would have been payable to the deceased plus 11% of the invalidity pension for each eligible child (until age 16 or if a full-time student, until age 25) with total pension limited to 100% of the invalidity pension;
- **Part pension and part lump sum** – The spouse can convert up to half of the pension to a lump sum. The lump sum value of any children's pensions for children living with the spouse is deducted from the lump sum. The benefits for the children are paid as a pension;
- **Maximum lump sum and no pension** – This allows the spouse to take the benefit wholly as a lump sum except for the lump sum value of any pension payable to children who are not living with the spouse. The maximum lump sum also applies where a member has no dependants.

### Death of a Pensioner

A pension payable based on the percentages (table below) that apply to the pension payable to the deceased at the time of death.

Other than members who retired on invalidity, at commencement members can elect to reduce their pension to 93% of the normal pension in exchange for a higher dependant pension rate payable to spouse and/or eligible children.

The table below sets out the percentages used to calculate the spouse pension under the two options:

Number of dependants	Normal Dependant Pension Option (Amount as % of standard pension rate)	Higher Dependant Pension Option (Amount as % of reduced pension rate)
Spouse only	67%	85%
Spouse and one child	78%	97%
Spouse and two children	89%	108%
Spouse and three or more children	100%	108%

### Resignation

Benefit options are as follows:

- Preserve all benefits in the PSS;
- Immediate refund of member financed benefit and preserve all employer financed benefits in the PSS; or
- Transfer all benefits to another eligible superannuation scheme.

Any employer financed benefit preserved in the PSS is indexed to Price Increases (CPI). The member financed component and productivity component are adjusted with the crediting rates calculated from the investment earnings. Pension options apply to preserved benefits once the member reaches age 55 but only if all components of the benefit are preserved.

Members who joined the PSS after 1 July 1999 are required to preserve the whole benefit.

## ***Retrenchment***

On retrenchment, a PSS member's benefit options are:

- Preserve all benefits in the PSS;
- Take the entire benefit in the form of an indexed pension;
- Take the member component as a lump sum and take the rest of the benefit as an indexed pension;
- Take the member component as a lump sum and preserve the rest of the benefit in the PSS;
- Take the member component as a lump sum and rollover the rest of the benefit to another fund; or
- Transfer the entire benefit to another eligible superannuation scheme.

Any employer financed benefit preserved in the PSS is indexed to Price Increases (CPI). The member financed component and productivity component are adjusted with the crediting rates based on the investment earnings. Pension options apply to preserved benefits once the member reaches age 55 but only if all components of the benefit are preserved.

## **The Superannuation Act 1976 (CSS)**

### ***Membership***

The CSS has been closed to new entrants since 1 July 1990.

### ***Salary***

The salary used for contribution purposes is the annual rate of salary, generally the basic salary plus any recognised allowance at member's last birthday.

### ***Final Salary***

The salary used for calculating benefits is, in most cases, the annual rate of salary on a member's date of exit.

### ***Member Contributions***

Basic contributions are either 0% or 5% of salary. Additional supplementary contributions may be made. Contributions are accumulated with interest based on the earning rates of the CSS Fund.

### ***Employer financed indexed pension***

The employer financed indexed pension is calculated as a percentage of final salary based on the period of contributory service and discounted for early retirement before age 65.

The discount factors for retirement prior to age 65 are age dependent. They reduce at the rate of 0.02 per year from 1 at age 65 to 0.90 at age 60 and then at the rate of 0.03 per year to 0.75 at age 55.

The accrual rates are based on years of contributory service and on whether the member joined the:

- CSS before 1 July 1976,
- Former Provident Account before 1 July 1976, or
- CSS after 30 June 1976.

For membership commencing after 30 June 1976, generally, the accrual rates are 2% per annum for the first 20 years of membership, 1% per annum for the next 10 years, and 0.25% per annum for each of the next 10 years. The maximum percentage is 52.5% of salary.

### **Retirement Benefits**

Retirement benefits are payable upon retirement at maximum retirement age (usually age 65) or early retirement at ages 55 or above.

The amount of retirement benefit is the sum of:

- employer financed indexed pension being a percentage of final salary based on the period of contributory service and discounted for early retirement before age 65;
- productivity component made up of productivity contributions plus earnings which can be taken as lump sum or converted into a non-indexed pension; and
- member component made up of accumulated basic and supplementary contributions plus earnings which can be taken as lump sum or a non-indexed pension.

The factors to convert the productivity component and member component to a non-indexed pension are the same as the factors used to calculate the employer financed indexed pension summarised under resignation below.

Note that non-indexed pensions are limited to 20% of the final super salary if members retire at age 60 or more. If members retire under 60, that percentage is reduced. These limitations do not apply when members preserve their benefit.

### **Invalidity Retirement**

The following benefits are payable on invalidity retirement:

- an employer financed indexed pension being a percentage of final salary depending on the period of prospective service to maximum retirement age (usually 65), or the actual contributory service where this is over 30 years;
- a lump sum of accumulated basic contributions or, at the member's election, an additional non-indexed pension being a percentage of final salary based on the period of prospective service to maximum retirement age (usually age 65);
- a lump sum of accumulated supplementary and productivity contributions.

### **Death of a Contributor**

A spouse pension payable at the rate of a 67% of the invalidity pension that would have been payable to the deceased, plus 11% of invalidity pension for each eligible child (until age 16 or if a full-time student, until age 25) with total pension limited to 100% of the invalidity pension.

The accumulated productivity contributions and any supplementary contributions are also payable.

If the member had no dependants a benefit to satisfy the Superannuation Guarantee legislation is payable.

### **Death of a Pensioner**

A pension payable based on the percentages (table below) that apply to the pension payable to the deceased at the time of death.

Other than members who retired on invalidity, members could elect to reduce their pension to 93% of the normal pension in exchange for a higher dependant pension rate payable to spouse and/or eligible children.

The table below sets out the percentages used to calculate the spouse pension under the two options:

<b>Number of dependants</b>	<b>Normal Dependant Pension Option (Amount as % of standard pension rate)</b>	<b>Higher Dependant Pension Option (Amount as % of reduced pension rate)</b>
Spouse only	67%	85%
Spouse and one child	78%	97%
Spouse and two children	89%	108%
Spouse and three or more children	100%	108%

### **Resignation**

The following benefits are payable on resignation:

- A lump sum benefit of accumulated member and productivity contributions; and
- A top-up amount which is the difference between the minimum Superannuation Guarantee amount and the productivity component.

Alternatively, the member may elect to receive a deferred benefit by preserving the benefit in the CSS. Under this option, after reaching preservation age, the member will receive the following:

- an indexed pension based on 2.5 times the basic contributions plus earnings at the date of payment converted to an indexed pension (refer to conversion factors below);
- productivity component as a lump sum or converted into a non-indexed pension; and
- member component as lump sum or converted into a non-indexed pension.

Alternatively, the member can choose to take a transfer value of 3.5 times the accumulated basic contributions plus supplementary and productivity contributions, to another eligible superannuation arrangement.

The conversion factors used to calculate the employer financed indexed pension and the non-indexed pension are summarized below:

Age at which benefit claimed	Factor
65	0.11
60	0.10
55	0.0925

### **Retrenchment**

Upon retrenchment, CSS members have the following options:

- lump sum benefit (equal to 3.5 times the total of the member's basic contributions plus supplementary and productivity contributions);
- an employer financed indexed pension, and the productivity and member component as lump sum (member component can be converted into a non-indexed pension if member is aged 31 or more, member and productivity component can be converted into non-indexed pension if member is aged 55 or more);
- receive a deferred benefit by preserving the benefit in the CSS.

Where a member elects to preserve their benefit in the CSS, after preservation age the member can elect to receive:

- an indexed pension based on 2.5 times the basic contributions plus earnings at the date of payment converted to an indexed pension;
- productivity component as a lump sum or converted into a non-indexed pension; and
- member component as lump sum or converted into a non-indexed pension.

### **Indexation**

Pensions are indexed half yearly in January and July, in line with changes in the Consumer Price Index (CPI). Pensions purchased with accumulated member contributions and productivity contributions are fixed in dollar terms and are not subject to indexation.

# Appendix B: Membership Summary

## Listing of ACT Government Agencies

Agency	CSS Contributors	CSS Salary <sup>1</sup> as at 30 June 2025 (\$ Million)	PSS Contributors	PSS Salary <sup>1</sup> as at 30 June 2025 (\$ Million)	Total Contributors	Total Salary <sup>1</sup> as at 30 June 2025 (\$ Million)
ACT Electricity & Water Corporation Ltd	1	*	75	11.969	76	12.102
ACT Cultural Facilities Corporation	-	-	12	1.183	12	1.183
ACT Legal Aid	-	-	8	1.467	8	1.467
ACT Legislative Assembly	-	-	1	*	1	*
ACT Legislative Assembly Secretariat	-	-	11	1.403	11	1.403
ACT Government	55	7.264	4,136	582.295	4,191	589.559
North Canberra Hospital	-	-	154	24.305	154	24.305
<b>Total</b>	<b>56</b>	<b>7</b>	<b>4,397</b>	<b>623</b>	<b>4,453</b>	<b>630</b>

<sup>1</sup> based on full time adjusted salaries \* Salaries not disclosed for privacy.

## Group A: Reconciliation of Contributors Data

	CSS	PSS	Total
<b>Contributors as at 30 June 2024</b>	<b>89</b>	<b>4,622</b>	<b>4,711</b>
Transfers from Group B	-	154	154
New Entrants <sup>1</sup>	-	163	163
Appearing Entrants <sup>2</sup>	-	48	48
Exits <sup>3</sup>	(33)	(557)	(590)
Transfers to Group B	-	(33)	(33)
<b>Contributors as at 30 June 2025</b>	<b>56</b>	<b>4,397</b>	<b>4,453</b>

### Note:

<sup>1</sup> 'New Entrants' refer to new membership records in respect of members who transferred to a new ACT Agency during the year. These members may have multiple membership records which will be consolidated in the future. Please refer to Section 4 for more information.

<sup>2</sup> 'Appearing Entrants' refer to new membership records in respect of members who transferred to a new ACT Agency prior to 1 January 2024 (allows for 6 months processing lag), but had not been advised to us by CSC.

<sup>3</sup> 'Exits' refer to contributors who ceased employment with the current agency during the year and either:

- received a lump sum or pension payment;
- become entitled to a deferred benefit payable in the future; or
- result of consolidation of memberships.

**Group A: Reconciliation of Deferred Beneficiaries Data**

	CSS	PSS	Total
<b>Members as at 30 June 2024</b>	<b>58</b>	<b>7,158</b>	<b>7,216</b>
Transfers from Group B	1	410	411
New Entrants <sup>1</sup>	9	210	219
Appearing Entrants <sup>2</sup>	1	50	51
Exits <sup>3</sup>	(23)	(672)	(695)
Transfers to Group B	-	-	-
<b>Members as at 30 June 2025</b>	<b>46</b>	<b>7,156</b>	<b>7,202</b>

Note:

<sup>1</sup> 'New Entrants' refer to members who ceased active employment and became a deferred beneficiary during the year.

<sup>2</sup> 'Appearing Entrants' refer to members who became a deferred beneficiary prior to 1 January 2024 (allows for 6 months processing lag), but had not been advised to us by CSC.

<sup>3</sup> 'Exits' refer to deferred beneficiaries who received their benefits during the year or had their membership consolidated with other records during the year.

**Group A: Reconciliation of Current and Dependent Pensioners Data**

	Current Pensioners		Dependent Pensioners		Total
	CSS	PSS	CSS	PSS	
<b>Pensioners as at 30 June 2024</b>	<b>5,385</b>	<b>6,936</b>	<b>774</b>	<b>436</b>	<b>13,531</b>
Transfers from Group B	-	11	-	-	11
New Entrants <sup>1</sup>	46	433	60	49	588
Appearing Entrants <sup>2</sup>	-	-	7	1	8
Exits <sup>3</sup>	(126)	(75)	(38)	(11)	(250)
<b>Pensioners as at 30 June 2025</b>	<b>5,305</b>	<b>7,305</b>	<b>803</b>	<b>475</b>	<b>13,888</b>

Note:

<sup>1</sup> 'New Entrants' refer to members who became a pensioner or a dependent pensioner during the year.

<sup>2</sup> 'Appearing Entrants' refer to members or dependents who commenced a pension prior to 1 January 2024 (allows for 6 months processing lag), but had not been advised to us by CSC.

<sup>3</sup> 'Exits' refer to pensioners or dependents who ceased pension payments during the year.

**Group B: Reconciliation of Contributors Data**

	CSS	PSS	Total
<b>Contributors as at 30 June 2024</b>	<b>32</b>	<b>2,565</b>	<b>2,597</b>
Transfers from Group A	-	33	33
New Entrants <sup>1</sup>	-	126	126
Appearing Entrants <sup>2</sup>	-	79	79
Exits <sup>3</sup>	(8)	(330)	(338)
Transfers to Group A	-	(154)	(154)
<b>Contributors as at 30 June 2025</b>	<b>24</b>	<b>2,319</b>	<b>2,343</b>

Note:

<sup>1</sup> 'New Entrants' refer to new membership records in respect of members who transfer to a new non-ACT Agency during the year. These members may have multiple membership records which will be consolidated in the future. Please refer to Section 4 for more information.

<sup>2</sup> 'Appearing Entrants' refer to new membership records in respect of members who transferred to a new non-ACT Agency prior to 1 January 2024 (allows for 6 months processing lag), but had not been advised to us by CSC.

<sup>3</sup> 'Exits' refer to contributors who ceased employment with the current agency during the year and either:

- received a lump sum or pension payment;
- become entitled to a deferred benefit payable in the future; or
- result of consolidation of memberships.

**Group B: Reconciliation of Deferred Beneficiaries Data**

	CSS	PSS <sup>4</sup>	Total
<b>Members as at 30 June 2024</b>	<b>22</b>	<b>2,537</b>	<b>2,559</b>
Transfers from Group A	-	-	-
New Entrants <sup>1</sup>	6	130	136
Appearing Entrants <sup>2</sup>	-	90	90
Exits <sup>3</sup>	(9)	(411)	(420)
Transfers to Group A	(1)	(410)	(411)
<b>Members as at 30 June 2025</b>	<b>18</b>	<b>1,936</b>	<b>1,954</b>

Note:

<sup>1</sup> 'New Entrants' refer to members who ceased active employment and became a deferred beneficiary during the year.

<sup>2</sup> 'Appearing Entrants' refer to members who became a deferred beneficiary prior to 1 January 2024 (allows for 6 months processing lag), but had not been advised to us by CSC.

<sup>3</sup> 'Exits' refer to deferred beneficiaries who received their benefits during the year or had their membership consolidated with other records during the year.

<sup>4</sup> Includes PSS Family Law non-member spouses.

**Group B: Reconciliation of Current and Dependent Pensioners Data**

	Current Pensioners		Dependent Pensioners		Total
	CSS	PSS	CSS	PSS	
<b>Pensioners as at 30 June 2024</b>	<b>1,229</b>	<b>2,572</b>	<b>109</b>	<b>114</b>	<b>4,024</b>
New Entrants <sup>1</sup>	11	167	7	8	193
Appearing Entrants <sup>2</sup>	-	1	-	-	1
Exits <sup>3</sup>	(11)	(6)	(1)	(4)	(22)
Transfers to Group A	-	(11)	-	-	(11)
<b>Pensioners as at 30 June 2025</b>	<b>1,229</b>	<b>2,723</b>	<b>115</b>	<b>118</b>	<b>4,185</b>

Note:

<sup>1</sup> 'New Entrants' refer to members who became a pensioner or a dependent pensioner during the year.

<sup>2</sup> 'Appearing Entrants' refer to members or dependents who commenced a pension prior to 1 January 2024 (allows for 6 months processing lag), but had not been advised to us by CSC.

<sup>3</sup> 'Exits' refer to pensioners or dependents who ceased pension payments during the year.

# Appendix C: Financial and Demographic Assumptions

## Financial Assumptions

- For the Accrued Superannuation Liability and Emerging Cost Payments Calculation.

Item	30 June 2025	30 June 2024
Discount Rate	5.0% p.a.	5.0% p.a.
General Salary Increases	3.0% p.a.	3.0% p.a.
CPI increases	2.5% p.a.	2.5% p.a.

The crediting rate applied to accumulation accounts is assumed to be equal to the discount rate.

- For the Emerging Cost Surplus/Deficit Calculation.

The interest rate used to accumulate the Emerging Cost and Surplus/Deficit payments is 3.88% per annum. This is the geometric average of the yield on one-year Australian Government bonds over the 12 months to 30 June 2025.

## Detailed Demographic Assumptions used in Valuation

- Promotional Increases in Salaries.

The following tables show examples of the assumed percentage increase due to promotion (excluding general salary increases due to inflation). Promotional salary increases are assumed to depend on both entry age and membership for the first 8 years of service and on age only thereafter.

Salary progression - Males (% per annum)				
Membership less than 8 years			Membership 8 years or more	
Entry Age	0- 3 years	3-8 years	Attained Age	8 years or more
17	14.0%	4.6%	25	4.2%
22	6.7%	3.7%	30	2.7%
27	4.5%	2.7%	35	0.9%
32	3.0%	1.9%	40	1.5%
37	2.8%	1.3%	45	1.0%
42	2.2%	0.8%	50	0.0%
47	0.7%	0.4%	55	0.0%
52	0.4%	0.4%	60	0.0%
57	0.4%	0.4%	65	0.0%

*Example:*

A male member who joined the scheme at age 32 is assumed to have a promotional salary increase of 3.0% p.a. for the first 3 years, followed by 1.9% p.a. for the next 5 years, 1.5% at age 40 etc.

Salary progression - females (% per annum)				
Membership less than 8 years			Membership 8 years or more	
Entry Age	0- 3 years	3-8 years	Attained Age	8 years or more
17	16.0%	3.0%	25	2.4%
22	5.8%	2.3%	30	2.1%
27	4.7%	1.5%	35	1.8%
32	3.5%	1.3%	40	0.0%
37	3.3%	1.1%	45	0.0%
42	3.0%	1.0%	50	0.0%
47	1.6%	1.0%	55	0.0%
52	1.0%	1.0%	60	0.0%
57	1.0%	1.0%	65	0.0%

**Example:**

A female member who joined the scheme at age 32 is assumed to have a promotional salary increase of 3.5% p.a. for the first 3 years, followed by 1.3% p.a. for the next 5 years and 0% from age 40 onwards.

- Member Contributions to the PSS

The following table summarises the assumed contribution rate for PSS members throughout their future membership.

PSS Contribution Rate	
Age	Contribution Rate (%)
25	4.0
30	4.2
35	4.7
40	5.5
45	6.4
50	7.5
55	8.4
60	8.8
65	8.8
70	8.8

**Example:**

A PSS member is assumed to contribute at 5.5% p.a. at age 40 and 6.4% p.a. at age 45.

## Other Demographic Assumptions

- Death and Invalidation Assumptions.

Death and invalidity assumptions (per 1,000 active members at age shown)						
Age	PSS & CSS Deaths		PSS Invalidities		CSS Invalidities	
	Males	Females	Males	Females	Males	Females
25	0.26	0.07	0.30	0.12	0.20	0.15
30	0.34	0.08	0.53	0.32	0.35	0.40
35	0.44	0.12	0.95	0.61	0.63	0.76
40	0.56	0.16	1.32	1.03	0.88	1.29
45	0.77	0.25	2.18	1.64	1.45	2.05
50	1.08	0.38	4.13	2.55	2.75	3.19
55	1.53	0.64	5.90	3.89	4.45	5.33
60	2.25	1.04	n/a	n/a	8.08	8.08
64	3.09	1.46	n/a	n/a	9.80	10.05

*Example:*

2.25 out of 1,000 PSS male members aged 60 are expected to die each year.

- Age Retirement Assumptions

Age Retirement Assumptions PSS (per 1,000 active members at age shown)				
Age	Contributors		Preserved Members	
	Males	Females	Males	Females
55	85	121	50	60
56	70	88	20	20
57	70	94	10	20
58	105	99	30	50
59	105	105	60	60
60	180	165	130	120
61	150	143	90	100
62	150	165	80	90
63	150	220	100	90
64	150	220	150	120
65	300	330	1,000	1,000
66	300	330	1,000	1,000
67	300	330	1,000	1,000
68	300	330	1,000	1,000
69	300	330	1,000	1,000
70	1,000	1,000	1,000	1,000

Age Retirement Assumptions CSS (per 1,000 active members at age shown)				
Age	Contributors		Preserved Members	
	Males	Females	Males	Females
55	50	120	750	750
56	70	100	250	170
57	80	110	200	160
58	90	120	200	150
59	90	130	250	130
60	160	210	400	220
61	160	170	350	200
62	170	170	330	200
63	180	200	350	300
64	180	300	400	500
65	400	400	1,000	1,000
66	400	400	1,000	1,000
67	400	400	1,000	1,000
68	400	400	1,000	1,000
69	400	400	1,000	1,000
70	1,000	1,000	1,000	1,000

*Example:*

For every 1,000 CSS male contributors aged 60, 160 are expected to retire each year.

- Resignation Assumptions

Resignation Assumptions – PSS				
Age Attained	Males (per 1,000)		Females (per 1,000)	
	Membership 0	Membership 10	Membership 0	Membership 10
20	157.9	0.0	131.2	0.0
25	174.2	86.5	158.4	46.4
30	153.2	76.5	137.2	77.2
35	134.0	67.3	113.4	55.3
40	117.0	59.2	95.6	42.6
45	99.7	47.0	83.9	34.8
50	86.6	42.6	76.8	33.8
<b>Factor*</b>	<b>0.86</b>	<b>0.89</b>	<b>0.92</b>	<b>0.95</b>

Resignation Assumptions – CSS				
Age Attained	Males (per 1,000)		Females (per 1,000)	
	Membership 0	Membership 10	Membership 0	Membership 10
30	71.5	35.5	49.3	43.3
35	70.3	30.8	47.1	36.5
40	74.0	29.4	41.1	30.2
45	74.9	28.7	33.0	24.4
50	81.7	31.2	30.1	23.2
54**	700.0	700.0	600.0	600.0
<b>Factor*</b>	<b>0.88</b>	<b>0.91</b>	<b>0.90</b>	<b>0.95</b>

\* These factors are used to determine rates for durations other than 0 and 10. The rate for duration “y” where “y” is in the range 0-9 is derived by multiplying the duration 0 rate by the duration 0 factor raised to the power of “y”. For durations greater than 10 the rate for duration 10 is multiplied by the duration 10 factor raised to the power of “y-10”.

\*\* The factor is not applied to the CSS resignation decrement at age 54.

*Example:*

For every 1,000 PSS male member aged 30 and with 11 years of membership, 68.1 (i.e.  $76.5 \times 0.89^{(11-10)}$ ) are expected to resign each year.

- Retrenchment Assumptions

Retrenchment assumptions				
Age Attained	Males (per 1,000)		Females (per 1,000)	
	CSS	PSS	CSS	PSS
20	0.0	1.1	0.0	0.5
25	14.2	2.6	7.6	1.8
30	12.1	4.1	8.8	3.5
35	9.4	5.3	7.8	4.2
40	8.4	6.1	6.6	4.1
45	9.2	7.1	7.8	4.0
50	16.3	9.6	10.9	4.5
55	30.8	13.6	17.8	7.4
60	43.7	20.6	25.7	10.5

*Example:*

For every 1,000 PSS female members aged 45, 4 are expected to be retrenched each year.

- Mortality of Pensioners

The table below shows the base mortality rates assumed for pensioners, including mortality improvements to 30 June 2020:

Pensioner Mortality (per 1,000 pensioners at age shown)				
Age	Males		Females	
	Age Retired	Widow (female)	Age Retired	Widower (male)
20		0.22		0.59
30		0.31		0.99
40		0.58		1.19
50		1.31		2.09
55	1.29	2.12	1.21	3.35
60	2.22	3.22	1.90	5.053
65	4.41	5.01	3.10	9.42
70	8.80	8.39	5.34	16.65
75	17.17	14.54	10.30	27.65
80	36.26	27.98	20.51	49.14
90	139.01	110.36	94.31	153.31
100	340.82	356.52	324.07	358.75

These are base mortality rates which apply from 1 July 2020 and are adjusted in subsequent years to allow for mortality improvement.

Invalid pensioner mortality (per 1,000 pensioners at age shown)								
Age	Males				Females			
	0-1 years	1-2 years	2-3 years	3+ years*	0-1 years	1-2 years	2-3 years	3+ years*
20	65.00	45.00	30.00	0.64	70.00	40.00	25.00	0.30
30	65.00	45.00	30.00	0.92	70.00	40.00	25.00	0.39
40	65.00	45.00	30.00	1.24	70.00	40.00	25.00	0.75
50	65.00	45.00	30.00	2.14	70.00	40.00	25.00	1.66
55	65.00	45.00	30.00	3.35	70.00	40.00	25.00	2.72
60	65.00	45.00	30.00	5.79	70.00	40.00	25.00	4.34
65	65.00	45.00	30.00	10.42	70.00	40.00	25.00	7.06
70	n/a	n/a	n/a	17.92	n/a	n/a	n/a	11.88
75	n/a	n/a	n/a	29.77	n/a	n/a	n/a	21.06
80	n/a	n/a	n/a	54.26	n/a	n/a	n/a	40.94
90	n/a	n/a	n/a	144.61	n/a	n/a	n/a	108.19
100	n/a	n/a	n/a	340.82	n/a	n/a	n/a	324.06

\* These are base mortality rates which apply from 1 July 2020 and are adjusted in subsequent years to allow for mortality improvement.

**Example:**

For female invalid pensioners aged 55, 70 out of 1,000 are expected to die in the first year of payments; but only about 3 out of 1,000 are expected to die if the pensions have been paid for more than 3 years.

- Improvements in Pensioner Mortality

The future improvements in pensioner mortality are based on the mortality improvement rates from the Australian Life Table (ALT) 2015-17 where the rates derived from the 25-year experience are used as the short-term reduction rates and the rates derived from the 100-year experience are used as the long-term reduction rates.

The following table summarises the assumed rates of improvement in future mortality of age pensioners and widow/widower pensioners.

Assumed rates of mortality reduction				
	Males		Females	
Age	Short term 1 July 2020 to 30 June 2023 (% p.a.)	Long term 1 July 2023 onwards (% p.a.)	Short term 1 July 2020 to 30 June 2023 (% p.a.)	Long term 1 July 2023 onwards (% p.a.)
60	2.55	1.36	2.16	1.47
70	2.99	1.29	2.40	1.37
80	2.35	0.95	2.03	1.09
90	0.89	0.45	0.80	0.55
100	-	0.17	-	0.17

*Example:*

The base mortality rate for male pensioner aged 70 is reduced by 2.99% p.a. until 30 June 2023 and 1.29% p.a. thereafter.

At 30 June 2023 the assumed mortality rate for a male pensioner aged 70 would be 0.803% (base rate of 8.80/1,000 reduced by 2.99% for 3 years).

At 30 June 2024 the assumed mortality rate for a male pensioner aged 70 would be 0.793% (base rate of 8.80/1,000 reduced by 2.99% for 3 years and 1.29% for 1 year).

At 30 June 2025 the assumed mortality rate for a male pensioner aged 70 would be 0.783% (base rate of 8.80/1000 reduced by 2.99% for 3 years and 1.29% for 2 years).

- New Entrants

Both the CSS and the PSS are closed to new members. Therefore, no new employees of the ACT Government may become a member of CSS or PSS although ACT Government may employ a person for the first time who is already a member of CSS or PSS. For the purpose of the valuation no allowance has been made for new entrants.

- Spouse Assumptions

It has been assumed that the proportion of males who are married at death will gradually increase with age to 75% at age 42, remain constant to age 72 and then reduce.

For females, it has been assumed that the proportion married at death will gradually increase to 55% by age 27, remaining constant to age 55; increase to 60% at age 60 and remain constant to age 70 and then reduce.

It is assumed that male members would, on average, be three years older than their spouses and that female members would be two years younger than their spouses.

## Preservation and Benefit Options – Assumptions

### PSS

- **Resignation options**

Members who joined the PSS after 1 July 1999 are required to retain all their benefits within the scheme.

For members who joined the scheme before 1 July 1999, it has been assumed that 100% of those who resign will retain the whole benefit within the PSS.

When members claim the benefit, it has been assumed that 80% of the benefit will be taken as indexed pension and 20% as lump sum.

- **Retrenchment options**

*Members under age 55*

We have assumed PSS members who are retrenched before age 55 will either preserve their benefit in the PSS, or take their benefit as an immediate pension. None are assumed to take a lump sum benefit option.

For members who joined before 1 July 1999, we have assumed:

- 30% of members preserve their benefit in the PSS; and
- 70% of members take the whole benefit as an immediate pension.

For members who joined after 1 July 1999, we have assumed:

- 30% of members preserve their benefit in the PSS; and
- 70% of members take the whole benefit an immediate pension.

For those who preserve the whole benefit, it has been assumed that 80% of the benefit will be taken as pension and 20% as lump sum when members claim the benefit.

*Members aged 55 and above*

It has been assumed that 80% of the benefit is taken as a pension and 20% is taken as a lump sum.

- **Retirement options**

It has been assumed that 95% of the benefit of contributors will be converted into pension and 5% is taken as lump sum.

- **Death options**

It has been assumed that on average 30% of the benefits will be converted into spouse pensions and 70% is taken as lump sum.

- **Invalidity options**

It has been assumed that 70% of the members will take the member component as lump sum with the remainder of the benefit taken as pension and 30% of the members will take the whole benefit as pension.

## CSS

- **Resignation options**

It has been assumed that 100% of all benefits are retained within the Scheme. The employer financed component of the benefit will be taken as indexed pension when members claim the benefit. It has been assumed that on average 40% of members components are converted to a non-indexed pension and 60% taken as a lump sum when members claim the benefit. It has also been assumed that on average 40% of the productivity components are converted to a non-indexed pension and 60% will be taken as a lump sum when the benefit is claimed by members.

- **Retrenchment options**

### *Members under age 55*

It has been assumed that 90% of members preserve the whole benefit. Upon claiming the benefit, those who preserve the whole benefit are assumed to take the employer financed component as a pension, and on average 15% of member components are converted to a non-indexed pension and 85% taken as a lump sum. All productivity components are assumed to be taken as a lump sum.

The remaining 10% of members who do not preserve their benefit take all the employer financed component as a pension, and on average 15% of member components are converted to a non-indexed pension and 85% taken as a lump sum. All productivity components are assumed to be taken as a lump sum.

### *Members aged 55 and above*

It has been assumed that members take the greater value of deferred pension and retirement pension upon retrenchment. Irrespective of their choice of pension, these members are assumed to claim the benefit immediately.

It has also been assumed that on average 15% of member components are converted to a non-indexed pension and 85% taken as a lump sum whilst the productivity components will be taken as a lump sum.

- **Retirement options**

It has been assumed that the employer financed component of the benefit is taken as pension. It has also been assumed that on average 40% of member components are converted to a non-indexed pension and 60% taken as a lump sum whilst the productivity components will be taken as a lump sum.

- **Death options**

For contributors with dependants, it has been assumed that the employer financed component of the benefit is taken as indexed pension. 25% of member components are assumed to be converted to a non-indexed pension and 75% taken as a lump sum whilst the productivity components will be taken as a lump sum.

For contributors without dependants, the superannuation guarantee amount and member contributions are payable as lump sum.

- **Invalidity options**

It has been assumed that the employer financed component of the benefit is taken as a pension. 25% of member components are assumed to be converted to a non-indexed pension and 75% taken as a lump sum whilst the productivity components will be taken as a lump sum.

## Other Assumptions

Other assumptions in respect of the data and methodology are set out in Sections 3 and 4 of the report. Where appropriate, assumptions are consistent with those set out in the Memorandum of Understanding.

## Appendix D: Projection of Accrued Superannuation Liability

PROJECTION OF ACCRUED SUPERANNUATION LIABILITY							
Liabilities as at	CSS (\$M)			PSS (\$M)			Total (\$M)
	Actives	Inactives	Total	Actives	Inactives	Total	
30 June 2025	59.8	2,734.7	2,794.5	2,891.4	4,834.2	7,725.7	<b>10,520.1</b>
30 June 2026	62.8	2,677.4	2,740.3	3,174.1	4,821.4	7,995.6	<b>10,735.8</b>
30 June 2027	65.0	2,614.8	2,679.9	3,451.4	4,802.6	8,253.9	<b>10,933.8</b>
30 June 2028	66.6	2,547.2	2,613.8	3,720.9	4,775.7	8,496.7	<b>11,110.5</b>
30 June 2029	67.8	2,474.6	2,542.5	3,981.0	4,739.8	8,720.8	<b>11,263.2</b>
30 June 2030	68.7	2,397.4	2,466.1	4,229.7	4,695.2	8,924.9	<b>11,390.9</b>
30 June 2031	69.1	2,315.7	2,384.9	4,465.1	4,641.4	9,106.5	<b>11,491.3</b>
30 June 2032	69.3	2,230.0	2,299.3	4,684.9	4,577.5	9,262.4	<b>11,561.7</b>
30 June 2033	69.2	2,140.5	2,209.7	4,888.3	4,504.6	9,392.9	<b>11,602.6</b>
30 June 2034	68.8	2,047.8	2,116.6	5,073.2	4,421.0	9,494.3	<b>11,610.8</b>
30 June 2035	68.2	1,952.2	2,020.4	5,237.8	4,327.5	9,565.2	<b>11,585.7</b>
30 June 2036	67.5	1,854.3	1,921.7	5,380.6	4,224.6	9,605.1	<b>11,526.9</b>
30 June 2037	66.5	1,754.5	1,821.0	5,499.7	4,113.0	9,612.7	<b>11,433.7</b>
30 June 2038	65.4	1,653.4	1,718.8	5,595.8	3,992.4	9,588.2	<b>11,306.9</b>
30 June 2039	64.1	1,551.6	1,615.7	5,667.7	3,863.4	9,531.1	<b>11,146.8</b>
30 June 2040	62.7	1,449.7	1,512.4	5,715.5	3,726.0	9,441.6	<b>10,953.9</b>
30 June 2041	61.1	1,348.2	1,409.4	5,739.8	3,581.4	9,321.3	<b>10,730.7</b>
30 June 2042	59.5	1,247.9	1,307.4	5,740.9	3,430.5	9,171.4	<b>10,478.8</b>

<b>PROJECTION OF ACCRUED SUPERANNUATION LIABILITY</b>							
<b>Liabilities as at</b>	<b>CSS (\$M)</b>			<b>PSS (\$M)</b>			<b>Total (\$M)</b>
	<b>Actives</b>	<b>Inactives</b>	<b>Total</b>	<b>Actives</b>	<b>Inactives</b>	<b>Total</b>	
30 June 2043	57.6	1,149.3	1,207.0	5,720.4	3,273.3	8,993.8	<b>10,200.8</b>
30 June 2044	55.7	1,053.0	1,108.7	5,678.9	3,111.8	8,790.7	<b>9,899.4</b>
30 June 2045	53.6	959.6	1,013.2	5,617.4	2,946.2	8,563.6	<b>9,576.8</b>
30 June 2046	51.4	869.4	920.8	5,536.6	2,777.6	8,314.3	<b>9,235.1</b>
30 June 2047	49.0	783.1	832.1	5,438.0	2,608.1	8,046.1	<b>8,878.2</b>
30 June 2048	46.5	700.8	747.3	5,323.8	2,439.1	7,763.0	<b>8,510.3</b>
30 June 2049	44.0	623.0	666.9	5,194.9	2,272.0	7,466.9	<b>8,133.8</b>
30 June 2050	41.3	549.8	591.2	5,052.1	2,107.3	7,159.4	<b>7,750.6</b>
30 June 2051	38.6	481.6	520.2	4,896.1	1,946.4	6,842.5	<b>7,362.7</b>
30 June 2052	35.8	418.4	454.3	4,727.8	1,790.1	6,517.8	<b>6,972.1</b>
30 June 2053	33.0	360.4	393.4	4,548.1	1,639.3	6,187.4	<b>6,580.8</b>
30 June 2054	30.2	307.6	337.8	4,357.7	1,494.9	5,852.6	<b>6,190.4</b>
30 June 2055	27.4	259.8	287.3	4,157.6	1,357.2	5,514.8	<b>5,802.1</b>
30 June 2056	24.7	217.2	241.9	3,948.7	1,227.0	5,175.6	<b>5,417.5</b>
30 June 2057	22.0	179.5	201.4	3,732.0	1,104.4	4,836.4	<b>5,037.9</b>
30 June 2058	19.4	146.4	165.8	3,509.0	989.8	4,498.8	<b>4,664.7</b>
30 June 2059	16.9	117.9	134.8	3,281.1	883.2	4,164.3	<b>4,299.2</b>
30 June 2060	14.6	93.6	108.2	3,049.8	784.6	3,834.4	<b>3,942.7</b>
30 June 2061	12.4	73.2	85.6	2,817.0	693.8	3,510.8	<b>3,596.4</b>
30 June 2062	10.4	56.3	66.7	2,584.5	610.6	3,195.1	<b>3,261.8</b>
30 June 2063	8.6	42.5	51.1	2,354.2	534.8	2,889.0	<b>2,940.1</b>
30 June 2064	7.0	31.5	38.5	2,128.1	465.9	2,594.0	<b>2,632.5</b>
30 June 2065	5.6	22.9	28.4	1,908.3	403.5	2,311.8	<b>2,340.2</b>

## Appendix E: Projection of Normal Cost & Interest Cost

PROJECTION OF NORMAL COST & INTEREST COST						
Year Ending	Normal Cost (\$M) (Group A and B)			Interest Cost* (\$M) (Group A and B)		
	CSS Actives	PSS Actives	Total	CSS	PSS	Total
30 June 2026	0.7	158.1	<b>158.8</b>	133.2	375.6	<b>508.7</b>
30 June 2027	0.5	151.7	<b>152.2</b>	131.8	393.4	<b>525.2</b>
30 June 2028	0.4	143.5	<b>143.8</b>	128.7	407.2	<b>535.9</b>
30 June 2029	0.3	135.0	<b>135.3</b>	125.3	419.8	<b>545.1</b>
30 June 2030	0.2	126.3	<b>126.5</b>	121.7	431.2	<b>552.9</b>
30 June 2031	0.1	117.5	<b>117.6</b>	117.9	441.3	<b>559.2</b>
30 June 2032	0.1	108.2	<b>108.3</b>	113.8	450.0	<b>563.8</b>
30 June 2033	0.0	99.4	<b>99.5</b>	109.5	457.4	<b>566.9</b>
30 June 2034	0.0	90.1	<b>90.1</b>	105.0	463.2	<b>568.2</b>
30 June 2035	0.0	80.5	<b>80.5</b>	100.4	467.4	<b>567.8</b>
30 June 2036	0.0	71.1	<b>71.1</b>	95.7	470.0	<b>565.7</b>
30 June 2037	0.0	61.9	<b>61.9</b>	90.8	470.8	<b>561.6</b>
30 June 2038	0.0	53.3	<b>53.3</b>	85.9	470.0	<b>555.8</b>
30 June 2039	0.0	44.8	<b>44.8</b>	80.8	467.5	<b>548.3</b>
30 June 2040	0.0	36.8	<b>36.8</b>	75.8	463.3	<b>539.1</b>
30 June 2041	0.0	29.8	<b>29.8</b>	70.8	457.6	<b>528.4</b>
30 June 2042	0.0	23.6	<b>23.6</b>	65.8	450.5	<b>516.3</b>
30 June 2043	0.0	18.3	<b>18.3</b>	60.9	442.2	<b>503.0</b>

<b>PROJECTION OF NORMAL COST &amp; INTEREST COST</b>						
<b>Year Ending</b>	<b>Normal Cost (\$M) (Group A and B)</b>			<b>Interest Cost* (\$M) (Group A and B)</b>		
	<b>CSS Actives</b>	<b>PSS Actives</b>	<b>Total</b>	<b>CSS</b>	<b>PSS</b>	<b>Total</b>
30 June 2044	0.0	13.7	<b>13.7</b>	56.0	432.6	<b>488.6</b>
30 June 2045	0.0	10.0	<b>10.0</b>	51.3	421.9	<b>473.2</b>
30 June 2046	0.0	6.7	<b>6.7</b>	46.8	410.1	<b>456.9</b>
30 June 2047	0.0	4.2	<b>4.2</b>	42.4	397.4	<b>439.8</b>
30 June 2048	0.0	2.7	<b>2.7</b>	38.1	384.0	<b>422.1</b>
30 June 2049	0.0	1.7	<b>1.7</b>	34.1	369.8	<b>404.0</b>
30 June 2050	0.0	1.0	<b>1.0</b>	30.3	355.1	<b>385.4</b>
30 June 2051	0.0	0.5	<b>0.5</b>	26.8	339.9	<b>366.6</b>
30 June 2052	0.0	0.2	<b>0.2</b>	23.5	324.2	<b>347.7</b>
30 June 2053	0.0	0.1	<b>0.1</b>	20.4	308.3	<b>328.6</b>
30 June 2054	0.0	0.0	<b>0.0</b>	17.6	292.0	<b>309.6</b>
30 June 2055	0.0	0.0	<b>0.0</b>	15.0	275.6	<b>290.7</b>
30 June 2056	0.0	0.0	<b>0.0</b>	12.7	259.2	<b>271.8</b>
30 June 2057	0.0	0.0	<b>0.0</b>	10.6	242.6	<b>253.2</b>
30 June 2058	0.0	0.0	<b>0.0</b>	8.8	226.1	<b>234.9</b>
30 June 2059	0.0	0.0	<b>0.0</b>	7.2	209.8	<b>217.0</b>
30 June 2060	0.0	0.0	<b>0.0</b>	5.8	193.6	<b>199.4</b>
30 June 2061	0.0	0.0	<b>0.0</b>	4.6	177.7	<b>182.3</b>
30 June 2062	0.0	0.0	<b>0.0</b>	3.6	162.2	<b>165.8</b>
30 June 2063	0.0	0.0	<b>0.0</b>	2.8	147.0	<b>149.8</b>
30 June 2064	0.0	0.0	<b>0.0</b>	2.1	132.4	<b>134.5</b>
30 June 2065	0.0	0.0	<b>0.0</b>	1.6	118.4	<b>120.0</b>

\* The interest cost for year n is calculated as: *Accrued Superannuation Liability (n) - Accrued Superannuation Liability (n-1) - Normal Cost (n) + Emerging Cost Payment (n)*

# Appendix F: Projection of Emerging Cost Payments

PROJECTION OF EMERGING COST PAYMENTS							
Year Ending	Contributors		Pensioners		Deferred Beneficiaries		Total
	CSS (\$M)	PSS (\$M)	CSS (\$M)	PSS (\$M)	CSS (\$M)	PSS (\$M)	(\$M)
30 June 2026 <sup>^</sup>	2.113	33.239	184.695	221.092	1.278	9.442	<b>451.859</b>
30 June 2027	1.440	33.802	189.921	243.505	1.318	9.385	<b>479.372</b>
30 June 2028	1.963	48.122	191.419	247.875	1.712	11.879	<b>502.970</b>
30 June 2029	2.352	63.354	192.557	252.088	2.023	15.249	<b>527.624</b>
30 June 2030	2.685	79.486	193.300	256.092	2.313	17.840	<b>551.716</b>
30 June 2031	3.009	96.413	193.602	259.856	2.571	20.903	<b>576.354</b>
30 June 2032	3.301	114.458	193.431	263.317	2.747	24.544	<b>601.798</b>
30 June 2033	3.542	132.745	192.740	266.420	2.848	27.174	<b>625.469</b>
30 June 2034	3.742	151.495	191.500	269.085	2.912	31.341	<b>650.075</b>
30 June 2035	3.915	170.900	189.680	271.239	2.976	34.827	<b>673.536</b>
30 June 2036	4.087	190.652	187.264	272.859	3.038	37.733	<b>695.632</b>
30 June 2037	4.227	211.036	184.233	273.806	3.100	40.268	<b>716.669</b>
30 June 2038	4.330	230.368	180.577	274.068	3.160	43.341	<b>735.843</b>
30 June 2039	4.416	249.629	176.290	273.543	3.219	46.118	<b>753.215</b>
30 June 2040	4.491	268.044	171.381	272.148	3.277	49.461	<b>768.802</b>
30 June 2041	4.562	285.711	165.865	269.813	3.333	52.154	<b>781.438</b>
30 June 2042	4.621	302.847	159.783	266.481	3.386	54.611	<b>791.729</b>
30 June 2043	4.672	318.334	153.177	262.105	3.436	57.676	<b>799.399</b>

<sup>^</sup> Actual annual payment amount agreed with the Commonwealth Government for the 2025/26 financial year, based on the Emerging Cost Payment estimate (Budget) from the 2024 Report.

<b>PROJECTION OF EMERGING COST PAYMENTS</b>							
<b>Year Ending</b>	<b>Contributors</b>		<b>Pensioners</b>		<b>Deferred Beneficiaries</b>		<b>Total</b>
	<b>CSS (\$M)</b>	<b>PSS (\$M)</b>	<b>CSS (\$M)</b>	<b>PSS (\$M)</b>	<b>CSS (\$M)</b>	<b>PSS (\$M)</b>	<b>(\$M)</b>
30 June 2044	4.715	332.962	146.101	256.647	3.480	59.742	<b>803.647</b>
30 June 2045	4.748	346.481	138.612	250.093	3.518	62.430	<b>805.882</b>
30 June 2046	4.772	358.916	130.792	242.443	3.548	64.850	<b>805.323</b>
30 June 2047	4.784	369.786	122.730	233.720	3.568	66.336	<b>800.925</b>
30 June 2048	4.780	378.570	114.508	223.970	3.576	67.255	<b>792.659</b>
30 June 2049	4.760	386.278	106.189	213.280	3.568	68.010	<b>782.085</b>
30 June 2050	4.720	392.806	97.849	201.744	3.544	68.953	<b>769.616</b>
30 June 2051	4.660	398.259	89.563	189.474	3.500	69.567	<b>755.024</b>
30 June 2052	4.578	402.426	81.399	176.604	3.435	70.116	<b>738.558</b>
30 June 2053	4.473	405.102	73.407	163.285	3.348	70.377	<b>719.992</b>
30 June 2054	4.345	406.649	65.663	149.703	3.236	70.536	<b>700.133</b>
30 June 2055	4.191	406.887	58.217	136.048	3.100	70.507	<b>678.950</b>
30 June 2056	4.014	405.699	51.143	122.507	2.939	70.169	<b>656.470</b>
30 June 2057	3.814	402.984	44.466	109.262	2.753	69.557	<b>632.836</b>
30 June 2058	3.591	398.627	38.246	96.489	2.544	68.634	<b>608.132</b>
30 June 2059	3.349	392.546	32.491	84.371	2.314	67.385	<b>582.456</b>
30 June 2060	3.090	384.659	27.276	73.032	2.068	65.801	<b>555.926</b>
30 June 2061	2.821	374.914	22.587	62.537	1.814	63.879	<b>528.552</b>
30 June 2062	2.545	363.266	18.425	52.980	1.560	61.623	<b>500.399</b>
30 June 2063	2.264	349.747	14.774	44.400	1.314	59.045	<b>471.544</b>
30 June 2064	1.985	334.408	11.675	36.807	1.081	56.166	<b>442.121</b>
30 June 2065	1.714	317.379	9.028	30.182	0.868	53.025	<b>412.196</b>

# Appendix G: The Accumulation of Emerging Cost and Actual Payments required for Superannuation Liability

## Background

Effective from 1 July 1989 ACT Government became responsible to the Commonwealth Government for the employer financed portion of superannuation benefits provided to employees of the ACT Government. This applies to current or former employees of the ACT Government who are members of the Commonwealth Superannuation Scheme (CSS) or the Public Sector Superannuation Scheme (PSS).

All CSS and PSS benefits are currently paid by the Commonwealth Government from the Consolidated Revenue Fund (CRF). Under the current arrangement, ACT Government discharges its superannuation liability by making regular payments to CSC based on the estimated benefit payments as advised by WTW. This is known as the “**Emerging Cost Payment**”. In any year, the Employer financed benefits payable to the CSS and PSS members may be estimated from actual benefit payment data provided by CSC. The difference between the Emerging Cost Payments and the updated estimate based on actual benefit data is known as the **Emerging Cost (Surplus)/Deficit**. It is calculated on a yearly basis to account for the difference between the amount paid by the ACT and the benefit payments incurred during the year.

The Memorandum of Understanding sets out the method and assumptions to be used to calculate Emerging Cost Payments and the Emerging Cost (Surplus)/(Deficit).

## Process

### 1. Determine the Emerging Cost Payments

Every year as part of the annual valuation of the ACT liabilities, we advise the Emerging Costs Payments – the estimated future cash flows resulting from the employer financed component of superannuation benefits. This forms the basis of the Emerging Cost Payments made to CSC.

The schedule is updated every year to reflect any changes in the membership, assumptions and methodologies. This takes into account the likelihood of people leaving under various exit modes (eg. retirement, resignation, death and disablement) and the benefit options chosen by the members. The budget assumptions are used for the purpose of this calculation.

## 1. The Emerging Cost Payments to CSC

The ACT Government makes the Emerging Cost Payment quarterly in arrears to CSC based on the schedule advised by us. Due to the timing of the report, there is generally a lag between the time of advice and the time of payment. For example, the Emerging Cost Payment made to the Commonwealth Government in FY 2025/26 is based on the recommendation in the 30 June 2024 report.

## 2. Determine the Employer Financed Benefit Payments

At the end of each year, WTW estimates the amount of employer financed benefit payments incurred during the year, based on the exit information and the pensioners' data at 30 June supplied by CSC.

## 3. Determine the Emerging Cost (Surplus)/Deficit

The actual benefits incurred in a particular year may be different to the estimated payments in the Emerging Cost Payments schedule as the assumptions are not always borne out in practice. For example, there may be more people leaving the scheme during the year; or more people taking out a pension rather than lump sum.

The purpose of the Emerging Cost (Surplus)/Deficit calculation is to account for any variation between the amount paid by the ACT Government (according to the schedule) and the amount which should be paid by the ACT Government (according to the actual benefit data).

A deficit during the year means that the Emerging Cost Payments made to CSC during the year is less than the employer financed benefits paid out to members. On the other hand, a surplus during the year means that ACT Government has overpaid CSC in regard to the employer financed benefits paid out to members in that particular year. At the end of each year, the accumulated (surplus)/deficit amount will be determined.

## Data

To calculate the Emerging Cost (Surplus)/Deficit, the following data was supplied by CSC in respect of the current and former employees of the ACT Government:

1. To determine the Emerging Cost Payments:
  - Data of the CSS and PSS contributors as at 30 June;
  - Data of the CSS and PSS Deferred Beneficiaries as at 30 June;
  - Data of the CSS and PSS Pensioners (including dependants) as at 30 June; and
  - ACT Employment Ratio - the ratio of the member's post 1 July 1989 ACT service to Total Service.
2. To estimate the actual employer financed benefits paid:
  - Data of the CSS and PSS contributors who terminated their employment during the year;
  - Data of the CSS and PSS deferred beneficiaries who claimed their benefits during the year;

- Data of the CSS and PSS pensioners (including dependants) at 30 June who received a pension during the year; and
- ACT Employment Ratio – the ratio of the member's post 1 July 1989 ACT service to Total Service.

As set out in Sections 3 and 4 of this report some assumptions and estimates have been made in respect of the data as a result of limitations in the data provided.

## Methodology

### *ACT Employment Ratio*

For the calculations of the **Emerging Cost Payments** and **Employer Financed Benefit Payments**, the ACT Employment Ratio provided by CSC is applied to the employer financed benefits to determine the portion of the benefits which relate to the ACT Government.

### *Pension indexation*

CSS and PSS pensions are indexed half yearly which occur in January and July each year. CSC provides the pension amounts as at 1 July instead of the actual pension amount paid during the financial year. In calculating the **Employer Financed Benefit Payment**, we adjusted the pension amount to allow for the half yearly pension indexation.

### *CSS Employer Financed Benefits*

For CSS members, the employer financed benefit is often payable in the form of an indexed pension, which is calculated as a percentage of final salary based on age and service. The employer financed lump sum benefit is only available on certain benefits (e.g. Retrenchment and Resignation) and is less likely to be taken by the members.

#### *CSS lump sum*

In determining the **Emerging Cost Payments** we currently assume that all members take their employer financed benefit as an indexed pension and hence no lump sum is payable.

In determining the **Employer Financed Benefit Payments**, the employer financed lump sum was provided in the termination data for those who elected a lump sum.

Member and Productivity components paid as lump sums have no employer component.

#### *CSS indexed pension*

In determining the **Emerging Cost Payments** and **Employer Financed Benefit Payments**, the full indexed pension is employer financed.

#### *CSS non-indexed pension*

CSS members have the option of converting the member/productivity components into a non-indexed pension. Due to the generosity of the pension conversion factor, the cost of providing the pension often exceeds the value of the member and productivity components, hence the employer is required to fund the additional cost when a member takes out a non-indexed pension.

In determining the **Emerging Cost Payments** and **Employer Financed Benefit Payments** we assume that 25% of the non-indexed pension is employer financed. This assumption is as specified in the Memorandum of Understanding.

### ***PSS Employer Financed Benefits***

For PSS members, the employer financed benefit is calculated as the PSS benefit net of member and productivity components. Members may take their benefit as a pension, a lump sum, or a combination of both.

The split of the PSS benefit between the employer financed component, member component and productivity component is provided for all contributors, all deferred beneficiaries and about 95% of the pensioners.

#### *PSS lump sum payments*

For the purpose of determining the **Employer Financed Benefit Payments**, the employer financed lump sum was provided in the termination data and hence no calculation was required. For the purpose of projecting the **Emerging Cost Payments**, the employer financed lump sum was the amount of PSS benefit net of member and productivity component. Both methods are consistent in the way the employer financed portion is determined.

#### *PSS indexed pension*

For the purpose of determining the **Employer Financed Benefit Payments** and the **Emerging Cost Payments**, we have determined:

- For those with benefits component split into employer, productivity and member component:

The employer financed proportion of the indexed pension is determined at an individual level based on the split of pension converted from various benefit components and by assuming that 40% of the pension converted from the member and productivity component is funded by the ACT Government to reflect the additional cost required to fund an indexed pension for a typical new pensioner. This assumption is as specified in the Memorandum of Understanding.

- For the remaining members without the benefit components separately provided:

75% of retirement pension and 85% of invalidity pension is assumed to be employer financed. These percentages are based on the average employer financed proportion of those with the additional information provided (rounded to the nearest 5%, as specified in the Memorandum of Understanding).

### ***How is Emerging Cost (Surplus)/Deficit calculated?***

The Emerging Cost (Surplus)/Deficit arises from the difference between the Emerging Cost Payments made by the ACT Government to the Commonwealth Government and the Employer Financed Benefit Payments. The ACT Government is obliged to reimburse the Commonwealth Government to account for the shortfall which arises due to the variation in the actual versus expected benefit payments.

Therefore, the Emerging Cost (Surplus)/Deficit at a particular point consists of:

- a. The unpaid Emerging Cost (Surplus)/Deficit at the beginning of the year; less
- b. The Emerging Cost Deficit (Credit)/Payment made by ACT (assumed to occur at the end of the year); less
- c. The Emerging Cost Payments made by ACT during the year (assumed to occur at the end of each quarter); plus
- d. The Employer Financed Benefit Payment (assumed to occur mid-year); plus
- e. Interest

## Results

The table below summarises the estimated Emerging Cost Surplus/Deficit for CSS and PSS as at 30 June 2025:

### Emerging Cost (Surplus)/Deficit at 30 June 2025 (CSS & PSS)

	Starting (Surplus)/ Deficit <sup>(i)</sup>	Surplus Credit/ (Deficit Payment)	Emerging Cost Payment	Employer Financed Benefit Payment	Interest Component	Accumulated (Surplus)/ Deficit with interest
	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)
CSS	9.843	(9.843)	(182.275)	185.873	1.322	4.920
PSS	9.856	(9.856)	(239.672)	244.269	1.617	6.214
<b>Total</b>	<b>19.699</b>	<b>(19.699)</b>	<b>(421.947)</b>	<b>430.142</b>	<b>2.939</b>	<b>11.134</b>

Note (i): Deficit as at 30 June 2024, as estimated in the 2024 Annual Report.

The following table shows for CSS and PSS the estimated employer financed component of actual benefit payments recognized in determining the Emerging Cost Surplus/Deficit.

### Summary of the Actual employer Financed Benefit payments 2024/25 (\$M)

	CSS	PSS	Total
<b><u>Lump sum</u></b>			
Contributors	-	4.329	4.329
Deferred Beneficiaries	-	10.481	10.481
<b>Total Lump sum</b>	<b>-</b>	<b>14.810</b>	<b>14.810</b>
<b><u>Pension</u></b>			
Current Pensioners	175.327	222.304	397.631
Dependent Pensioners	10.547	7.155	17.702
<b>Total Pension</b>	<b>185.874</b>	<b>229.459</b>	<b>415.332</b>
<b>Total</b>	<b>185.874</b>	<b>244.269</b>	<b>430.142</b>

# Appendix H: Membership Tables: Group A

CSS Actives – Group A												
	Male				Female				Total			
Age Group	Number	Average Salary (\$)	Average Service (Years)	Average ACT Employment Ratio	Number	Average Salary (\$)	Average Service (Years)	Average ACT Employment Ratio	Number	Average Salary (\$)	Average Service (Years)	Average ACT Employment Ratio
54 or less	6	137,014	30.86	85.6%	6	106,883	32.99	98.0%	12	121,948	31.93	91.8%
55-59	9	162,627	30.40	67.4%	8	142,854	24.01	77.2%	17	153,322	27.40	72.0%
60 or over	11	112,473	36.42	97.0%	16	130,636	26.92	81.5%	27	123,236	30.79	87.8%
<b>Total</b>	<b>26</b>	<b>135,498</b>	<b>33.05</b>	<b>84.1%</b>	<b>30</b>	<b>129,143</b>	<b>27.36</b>	<b>83.6%</b>	<b>56</b>	<b>132,094</b>	<b>30.00</b>	<b>83.9%</b>

PSS Actives – Group A												
	Male				Female				Total			
Age Group	Number	Average Salary (\$)	Average Service (Years)	Average ACT Employment Ratio	Number	Average Salary (\$)	Average Service (Years)	Average ACT Employment Ratio	Number	Average Salary (\$)	Average Service (Years)	Average ACT Employment Ratio
39 or less	5	138,326	17.56	72.3%	10	142,486	10.66	62.8%	15	141,099	12.96	65.9%
40-44	110	145,325	17.00	82.0%	285	140,290	16.33	87.2%	395	141,692	16.51	85.7%
45-49	289	146,432	18.41	87.4%	668	143,944	17.66	87.9%	957	144,696	17.89	87.7%
50-54	450	148,783	19.68	85.7%	848	139,675	18.94	87.0%	1,298	142,833	19.19	86.5%
55-59	382	143,822	21.76	86.3%	687	141,227	20.49	85.8%	1,069	142,154	20.94	86.0%
Over 60	266	149,048	21.45	89.1%	397	124,016	20.41	91.6%	663	134,059	20.82	90.6%
<b>Total</b>	<b>1,502</b>	<b>146,828</b>	<b>20.07</b>	<b>86.4%</b>	<b>2,895</b>	<b>138,951</b>	<b>18.93</b>	<b>87.5%</b>	<b>4,397</b>	<b>141,642</b>	<b>19.32</b>	<b>87.1%</b>

CSS Deferred – Group A									
	Male			Female			Total		
Age Group	Number	Average Active Service (Years)	Average ACT Employment Ratio	Number	Average Active Service (Years)	Average ACT Employment Ratio	Number	Average Active Service (Years)	Average ACT Employment Ratio
59 or less	10	19.47	90.1%	13	19.45	72.7%	23	19.46	80.3%
60 or over	9	16.01	85.5%	14	11.84	81.4%	23	13.47	83.0%
<b>Total</b>	<b>19</b>	<b>17.83</b>	<b>87.9%</b>	<b>27</b>	<b>15.51</b>	<b>77.2%</b>	<b>46</b>	<b>16.47</b>	<b>81.6%</b>

PSS Deferred – Group A									
	Male			Female			Total		
Age Group	Number	Average Active Service (Years)	Average ACT Employment Ratio	Number	Average Active Service (Years)	Average ACT Employment Ratio	Number	Average Active Service (Years)	Average ACT Employment Ratio
39 or less	27	2.41	95.1%	17	3.57	88.3%	44	2.86	92.5%
40-44	175	3.51	91.7%	418	4.12	89.6%	593	3.94	90.2%
45-49	437	4.48	90.1%	993	4.53	92.0%	1,430	4.51	91.5%
50-54	704	4.58	88.0%	1,264	4.60	91.0%	1,968	4.59	89.9%
55-59	671	5.25	89.9%	1,232	5.04	88.0%	1,903	5.11	88.7%
60-64	350	4.58	87.6%	659	4.89	88.6%	1,009	4.78	88.3%
65 or over	77	2.42	93.7%	132	3.18	90.8%	209	2.90	91.9%
<b>Total</b>	<b>2,441</b>	<b>4.58</b>	<b>89.4%</b>	<b>4,715</b>	<b>4.65</b>	<b>90.0%</b>	<b>7,156</b>	<b>4.63</b>	<b>89.8%</b>

CSS Pensioners Retirement – Group A												
	Male				Female				Total			
Age Group	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio
59 or less	53	3,014,332	56,874	83.9%	63	3,538,272	56,163	83.4%	116	6,552,604	56,488	83.7%
60-64	169	8,700,050	51,480	80.0%	178	8,854,208	49,743	81.9%	347	17,554,258	50,589	81.0%
65-69	322	13,576,751	42,164	72.3%	345	13,552,822	39,284	75.4%	667	27,129,573	40,674	73.9%
70-74	463	18,059,439	39,005	62.2%	478	16,894,581	35,344	74.8%	941	34,954,020	37,146	68.6%
75-79	553	15,863,549	28,686	54.7%	731	20,258,671	27,714	71.9%	1,284	36,122,220	28,133	64.5%
80-84	395	8,748,308	22,148	46.9%	604	12,018,437	19,898	61.4%	999	20,766,745	20,788	55.7%
85-89	229	3,573,497	15,605	38.4%	336	4,368,182	13,001	48.5%	565	7,941,678	14,056	44.4%
90-94	74	865,779	11,700	36.4%	107	929,541	8,687	36.5%	181	1,795,320	9,919	36.4%
95 or over	9	53,776	5,975	16.6%	20	107,098	5,355	21.5%	29	160,874	5,547	20.0%
<b>Total</b>	<b>2,267</b>	<b>72,455,480</b>	<b>31,961</b>	<b>57.6%</b>	<b>2,862</b>	<b>80,521,812</b>	<b>28,135</b>	<b>67.1%</b>	<b>5,129</b>	<b>152,977,292</b>	<b>29,826</b>	<b>62.9%</b>

Note: \* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

PSS Pensioners Retirement – Group A												
	Male				Female				Total			
Age Group	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio
54 or less	22	836,088	38,004	73.7%	39	1,006,424	25,806	94.9%	61	1,842,511	30,205	87.2%
55-59	132	7,824,029	59,273	84.5%	245	11,562,851	47,195	83.6%	377	19,386,880	51,424	83.9%
60-64	395	23,183,549	58,693	89.0%	835	37,116,094	44,450	87.5%	1,230	60,299,643	49,024	88.0%
65-69	495	26,462,270	53,459	88.1%	1,236	52,843,940	42,754	91.9%	1,731	79,306,210	45,815	90.8%
70-74	438	19,453,411	44,414	86.8%	1,162	42,716,388	36,761	94.5%	1,600	62,169,799	38,856	92.4%
75-79	347	10,967,828	31,608	79.2%	836	23,896,706	28,585	90.7%	1,183	34,864,534	29,471	87.3%
80-84	182	4,499,186	24,721	78.2%	353	7,357,446	20,843	86.6%	535	11,856,632	22,162	83.8%
85-89	55	853,465	15,518	82.6%	116	1,596,761	13,765	83.3%	171	2,450,225	14,329	83.1%
90 or over	9	121,219	13,469	83.2%	17	184,282	10,840	79.1%	26	305,500	11,750	80.5%
<b>Total</b>	<b>2,075</b>	<b>94,201,045</b>	<b>45,398</b>	<b>85.1%</b>	<b>4,839</b>	<b>178,280,891</b>	<b>36,843</b>	<b>90.5%</b>	<b>6,914</b>	<b>272,481,935</b>	<b>39,410</b>	<b>88.9%</b>

Note: \* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

CSS Pensioners Invalidation – Group A												
	Male				Female				Total			
Age Group	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio
64 or less	7	285,403	40,772	83.6%	10	405,678	40,568	81.5%	17	691,081	40,652	82.4%
65-69	7	388,013	55,430	81.8%	13	547,574	42,121	70.3%	20	935,587	46,779	74.3%
70-74	12	391,712	32,643	68.5%	22	702,119	31,914	75.4%	34	1,093,830	32,171	73.0%
75-79	21	529,424	25,211	60.6%	26	861,035	33,117	73.7%	47	1,390,459	29,584	67.9%
80-84	13	299,002	23,000	52.0%	14	328,737	23,481	64.8%	27	627,739	23,250	58.7%
85 or over	13	143,562	11,043	44.1%	18	202,945	11,275	37.2%	31	346,507	11,178	40.1%
<b>Total</b>	<b>73</b>	<b>2,037,116</b>	<b>27,906</b>	<b>61.7%</b>	<b>103</b>	<b>3,048,088</b>	<b>29,593</b>	<b>66.8%</b>	<b>176</b>	<b>5,085,204</b>	<b>28,893</b>	<b>64.7%</b>

Note: \* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

PSS Pensioners Invalidation – Group A												
	Male				Female				Total			
Age Group	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio
54 or less	25	1,818,539	72,742	92.3%	41	2,181,278	53,202	86.0%	66	3,999,818	60,603	88.4%
55-59	28	1,654,425	59,087	98.4%	56	2,719,467	48,562	89.8%	84	4,373,891	52,070	92.7%
60-64	31	1,548,055	49,937	93.8%	34	1,471,333	43,275	92.0%	65	3,019,388	46,452	92.9%
65-69	16	503,060	31,441	96.0%	52	1,831,486	35,221	94.4%	68	2,334,546	34,332	94.8%
70-74	15	368,925	24,595	82.6%	40	1,056,814	26,420	92.0%	55	1,425,739	25,923	89.4%
75 or over	25	451,213	18,049	76.6%	28	494,000	17,643	86.9%	53	945,213	17,834	82.0%
<b>Total</b>	<b>140</b>	<b>6,344,218</b>	<b>45,316</b>	<b>90.4%</b>	<b>251</b>	<b>9,754,377</b>	<b>38,862</b>	<b>90.5%</b>	<b>391</b>	<b>16,098,596</b>	<b>41,173</b>	<b>90.5%</b>

Note: \* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

CSS Dependent Pensioners – Group A												
	Male				Female				Total			
Age Group	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio
64 or less	8	158,647	19,831	76.6%	48	928,008	19,333	66.1%	56	1,086,655	19,405	67.6%
65-69	6	103,131	17,188	49.8%	60	1,104,469	18,408	59.9%	66	1,207,600	18,297	59.0%
70-74	16	339,909	21,244	76.0%	93	1,613,810	17,353	55.0%	109	1,953,718	17,924	58.1%
75-79	42	727,602	17,324	67.0%	127	1,699,664	13,383	46.0%	169	2,427,267	14,363	51.2%
80-84	61	837,300	13,726	58.0%	128	1,338,772	10,459	43.2%	189	2,176,072	11,514	48.0%
85-89	48	391,154	8,149	47.9%	90	632,822	7,031	30.2%	138	1,023,976	7,420	36.4%
90 or over	29	207,753	7,164	44.4%	47	205,115	4,364	25.4%	76	412,868	5,432	32.6%
<b>Total</b>	<b>210</b>	<b>2,765,496</b>	<b>13,169</b>	<b>57.4%</b>	<b>593</b>	<b>7,522,660</b>	<b>12,686</b>	<b>45.8%</b>	<b>803</b>	<b>10,288,155</b>	<b>12,812</b>	<b>48.8%</b>

Note: \* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

PSS Dependent Pensioners – Group A												
Age Group	Male				Female				Total			
	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio
64 or less	34	1,166,928	34,321	92.0%	73	1,621,534	22,213	87.3%	107	2,788,462	26,060	88.8%
65-69	20	478,966	23,948	97.1%	46	1,186,553	25,795	86.8%	66	1,665,519	25,235	89.9%
70-74	34	663,697	19,520	92.0%	39	715,896	18,356	85.4%	73	1,379,593	18,899	88.5%
75-79	43	813,430	18,917	90.2%	52	811,677	15,609	78.2%	95	1,625,107	17,106	83.6%
80 or over	60	794,102	13,235	90.6%	74	872,667	11,793	75.7%	134	1,666,769	12,439	82.4%
<b>Total</b>	<b>191</b>	<b>3,917,124</b>	<b>20,509</b>	<b>91.7%</b>	<b>284</b>	<b>5,208,327</b>	<b>18,339</b>	<b>82.2%</b>	<b>475</b>	<b>9,125,450</b>	<b>19,211</b>	<b>86.0%</b>

Note: \* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

# Appendix I: Membership Tables: Group B

CSS Actives – Group B												
	Male				Female				Total			
Age Group	Number	Average Salary (\$)	Average Service (Years)	Average ACT Employment Ratio	Number	Average Salary (\$)	Average Service (Years)	Average ACT Employment Ratio	Number	Average Salary (\$)	Average Service (Years)	Average ACT Employment Ratio
54 or less	3	98,189	34.98	23.5%	4	129,502	31.22	16.0%	7	116,082	32.83	19.2%
55 or over	10	169,771	34.87	20.5%	7	159,064	32.41	10.2%	17	165,362	33.86	16.3%
<b>Total</b>	<b>13</b>	<b>153,252</b>	<b>34.90</b>	<b>21.2%</b>	<b>11</b>	<b>148,314</b>	<b>31.98</b>	<b>12.3%</b>	<b>24</b>	<b>150,989</b>	<b>33.56</b>	<b>17.1%</b>

PSS Actives – Group B												
	Male				Female				Total			
Age Group	Number	Average Salary (\$)	Average Service (Years)	Average ACT Employment Ratio	Number	Average Salary (\$)	Average Service (Years)	Average ACT Employment Ratio	Number	Average Salary (\$)	Average Service (Years)	Average ACT Employment Ratio
39 or less	6	140,204	15.74	21.5%	7	134,293	14.84	18.8%	13	137,021	15.26	20.1%
40-44	45	147,576	15.47	21.8%	189	138,918	15.96	21.3%	234	140,583	15.87	21.4%
45-49	180	150,428	16.53	20.1%	383	148,624	16.51	22.5%	563	149,201	16.52	21.7%
50-54	269	152,410	17.64	21.6%	466	146,461	17.86	20.6%	735	148,638	17.78	21.0%
55-59	190	148,946	18.79	19.9%	339	136,719	18.44	22.7%	529	141,110	18.57	21.7%
Over 60	88	136,973	16.77	19.7%	157	127,487	17.85	24.3%	245	130,894	17.46	22.7%
<b>Total</b>	<b>778</b>	<b>148,986</b>	<b>17.43</b>	<b>20.6%</b>	<b>1,541</b>	<b>141,942</b>	<b>17.40</b>	<b>22.0%</b>	<b>2,319</b>	<b>144,305</b>	<b>17.41</b>	<b>21.5%</b>

CSS Deferred – Group B									
	Male			Female			Total		
Age Group	Number	Average Active Service (Years)	Average ACT Employment Ratio	Number	Average Active Service (Years)	Average ACT Employment Ratio	Number	Average Active Service (Years)	Average ACT Employment Ratio
All ages	10	11.82	23.5%	8	14.82	26.4%	18	13.15	24.7%

PSS Deferred – Group B									
	Male			Female			Total		
Age Group	Number	Average Active Service (Years)	Average ACT Employment Ratio	Number	Average Active Service (Years)	Average ACT Employment Ratio	Number	Average Active Service (Years)	Average ACT Employment Ratio
39 or less	4	1.82	22.3%	11	4.19	55.7%	15	3.56	46.8%
40-44	57	6.34	35.3%	116	4.53	37.4%	173	5.13	36.7%
45-49	145	5.44	37.7%	268	5.30	39.4%	413	5.35	38.8%
50-54	229	5.76	39.2%	386	6.00	40.6%	615	5.91	40.1%
55-59	181	6.26	40.0%	321	5.44	40.3%	502	5.73	40.2%
60-64	67	4.68	40.8%	129	6.50	43.5%	196	5.88	42.6%
65 or over	13	3.19	59.8%	9	4.89	43.3%	22	3.89	53.1%
<b>Total</b>	<b>696</b>	<b>5.70</b>	<b>39.2%</b>	<b>1,240</b>	<b>5.59</b>	<b>40.4%</b>	<b>1,936</b>	<b>5.63</b>	<b>40.0%</b>

CSS Pensioners Retirement – Group B												
	Male				Female				Total			
Age Group	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio
59 or less	39	501,602	12,862	18.7%	47	715,469	15,223	24.6%	86	1,217,071	14,152	21.9%
60-64	76	960,074	12,633	18.7%	101	1,526,710	15,116	27.3%	177	2,486,784	14,050	23.6%
65-69	133	2,268,535	17,057	26.0%	118	1,816,420	15,393	28.7%	251	4,084,955	16,275	27.3%
70-74	137	1,926,857	14,065	21.1%	152	2,106,399	13,858	25.4%	289	4,033,256	13,956	23.4%
75-79	116	947,877	8,171	15.5%	152	1,461,450	9,615	20.9%	268	2,409,327	8,990	18.6%
80 or over	57	357,134	6,266	11.2%	79	434,677	5,502	15.0%	136	791,811	5,822	13.4%
<b>Total</b>	<b>558</b>	<b>6,962,080</b>	<b>12,477</b>	<b>19.6%</b>	<b>649</b>	<b>8,061,125</b>	<b>12,421</b>	<b>23.9%</b>	<b>1,207</b>	<b>15,023,204</b>	<b>12,447</b>	<b>21.9%</b>

Note: \* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

PSS Pensioners Retirement – Group B												
	Male				Female				Total			
Age Group	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio
54 or less	43	339,012	7,884	19.0%	74	651,070	8,798	25.7%	117	990,082	8,462	23.2%
55-59	122	1,667,371	13,667	22.5%	181	2,129,874	11,767	21.2%	303	3,797,245	12,532	21.8%
60-64	225	2,776,943	12,342	22.1%	425	5,232,602	12,312	23.5%	650	8,009,545	12,322	23.0%
65-69	211	3,302,044	15,649	27.5%	468	5,981,083	12,780	27.7%	679	9,283,127	13,672	27.7%
70-74	139	1,455,692	10,473	23.8%	337	4,181,773	12,409	30.6%	476	5,637,466	11,843	28.6%
75-79	99	779,632	7,875	24.1%	162	1,259,260	7,773	26.1%	261	2,038,892	7,812	25.3%
80-84	40	282,579	7,064	19.8%	49	302,454	6,173	26.9%	89	585,032	6,573	23.7%
85 or over	9	34,515	3,835	15.6%	5	25,009	5,002	29.6%	14	59,524	4,252	20.6%
<b>Total</b>	<b>888</b>	<b>10,637,789</b>	<b>11,979</b>	<b>23.6%</b>	<b>1,701</b>	<b>19,763,124</b>	<b>11,619</b>	<b>26.3%</b>	<b>2,589</b>	<b>30,400,913</b>	<b>11,742</b>	<b>25.4%</b>

Note: \* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

CSS Pensioners Invalidation – Group B												
	Male				Female				Total			
Age Group	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio
All ages	7	52,517	7,502	13.4%	15	211,451	14,097	25.0%	22	263,969	11,999	21.3%

Note: \* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

PSS Pensioners Invalidation – Group B												
	Male				Female				Total			
Age Group	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio
54 or less	11	158,556	14,414	14.5%	22	183,838	8,356	13.8%	33	342,394	10,376	14.0%
55-59	14	224,040	16,003	20.8%	26	383,954	14,767	24.8%	40	607,995	15,200	23.4%
60 or over	24	241,551	10,065	18.2%	37	438,238	11,844	20.7%	61	679,789	11,144	19.7%
<b>Total</b>	<b>49</b>	<b>624,147</b>	<b>12,738</b>	<b>18.1%</b>	<b>85</b>	<b>1,006,031</b>	<b>11,836</b>	<b>20.2%</b>	<b>134</b>	<b>1,630,178</b>	<b>12,166</b>	<b>19.4%</b>

Note: \* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

CSS Dependent Pensioners – Group B												
	Male				Female				Total			
Age Group	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio
69 or less	15	126,934	8,462	25.8%	43	189,665	4,411	16.3%	58	316,599	5,459	18.8%
70 or over	15	92,530	6,169	28.1%	42	165,561	3,942	12.6%	57	258,091	4,528	16.7%
<b>Total</b>	<b>30</b>	<b>219,464</b>	<b>7,315</b>	<b>27.0%</b>	<b>85</b>	<b>355,226</b>	<b>4,179</b>	<b>14.5%</b>	<b>115</b>	<b>574,690</b>	<b>4,997</b>	<b>17.7%</b>

Note: \* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

PSS Dependent Pensioners – Group B												
	Male				Female				Total			
Age Group	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio	Number	Total Indexed Pension* (\$)	Average Indexed Pension* (\$)	Average ACT Employment Ratio
64 or less	13	133,952	10,304	19.5%	28	214,085	7,646	23.6%	41	348,037	8,489	22.3%
65-74	13	79,602	6,123	29.1%	27	104,476	3,869	24.5%	40	184,078	4,602	26.0%
75 or over	18	116,089	6,449	21.8%	19	91,531	4,817	25.1%	37	207,619	5,611	23.5%
<b>Total</b>	<b>44</b>	<b>329,642</b>	<b>7,492</b>	<b>23.3%</b>	<b>74</b>	<b>410,092</b>	<b>5,542</b>	<b>24.3%</b>	<b>118</b>	<b>739,734</b>	<b>6,269</b>	<b>23.9%</b>

Note: \* This is the Indexed Pension amount multiplied by the ACT Employment Ratio.

# Appendix J: Glossary

## ***Accrued Superannuation Liability***

The actuarial value of the ACT Government portion of members' benefits in respect of service up to the date of investigation.

## ***ACT Employment Ratio***

The ratio of ACT Government service post 1 July 1989 to Total Service.

## ***Contributor***

Member of CSS or PSS who was employed by ACT Government or Commonwealth Government at the date of investigation.

## ***Current Pensioner***

Member of CSS or PSS who was receiving a pension at the date of investigation.

## ***Preserved Members/Deferred Beneficiary***

Member of CSS or PSS who preserved his/her benefit upon ceasing employment or transfer under Choice of Fund.

## ***Dependent Pensioner***

Dependant of a former CSS or PSS member who has deceased, and was receiving a pension at the date of investigation.

## ***Interest Cost***

Increase in the Accrued Superannuation Liability resulting from unwinding of discount rate during the period.

## ***Normal Cost***

Increase in the Accrued Superannuation Liability resulting from service during the period.

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