



Queensland

Superannuation (State Public Sector) Amendment of Deed Regulation (No. 2) 2011

Explanatory Notes for SL 2011 No. 92

made under the

Superannuation (State Public Sector) Act 1990

General outline

Short title

Superannuation (State Public Sector) Amendment of Deed Regulation (No. 2) 2011.

Authorising law

Sections 12 and 31 of the *Superannuation (State Public Sector) Act 1990*.

Policy objectives and the reasons for them

Commonwealth superannuation guarantee legislation requires that an employer contribute a minimum of 9% of an employee's ordinary time earnings to the employee's superannuation. This requirement is limited to the maximum contributions base, which for the 2010/2011 year, and based on a 9% contribution rate, is \$15,200 per annum. For employers contributing to the State Public Sector Superannuation Scheme (QSuper), the *Superannuation (State Public Sector) Deed 1990* (Deed) prescribes higher contribution requirements whereby an employee's salary defines the level of employer contribution, with no limitation. This has created the

potential for certain employees to exceed the Commonwealth's concessional contributions cap, depending on their annual salary.

The aim of the policy is to provide employees the opportunity to agree with their employer on a lower salary for superannuation purposes to the extent that the concessional contributions cap will not be exceeded. The policy is limited to employees whose employer is contributing to QSuper's accumulation category and whose actual salary would otherwise compel the employer to pay contributions in excess of the cap.

Achievement of policy objectives

The *Superannuation (State Public Sector) Amendment of Deed Regulation (No. 2) 2011* (Amendment of Deed Regulation) achieves the policy objectives by inserting a provision into the Deed to allow employees who would otherwise exceed the concessional contributions cap to agree with their employer on a lower salary for superannuation purposes, resulting in employer superannuation contributions that are not in excess of the cap.

Consistency with policy objectives of authorising law

This amendment is consistent with the policy of the authorising law in that regulations can be made in order to administer QSuper.

Inconsistency with policy objectives of other legislation

This amendment is not inconsistent with the policy objectives of other legislation.

Benefits and costs of implementation

Following the implementation of this amendment QSuper's governing rules will not compel a level of contribution in excess of the concessional contributions cap that would result in additional tax being assessed against an employee. The policy affects a limited subset of the QSuper membership and as such is not expected to result in significant costs to implement.

Consistency with fundamental legislative principles

The Amendment of Deed Regulation is consistent with fundamental legislative principles.

Consultation

Consultation has taken place with the Queensland Treasurer, QSuper Board of Trustees, the Government Superannuation Officer, the Office of Queensland Parliamentary Counsel, QInvest financial advisors, the Public Service Commission, and the Department of Justice and Attorney General.

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Treasury Department.

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