

Superannuation (State Public Sector) (Scheme Membership) Amendment of Deed Regulation 2017

Explanatory notes for SL 2017 No. 104

made under the

Superannuation (State Public Sector) Act 1990

General Outline

Short title

Superannuation (State Public Sector) (Scheme Membership) Amendment of Deed Regulation 2017

Authorising law

Section 12 of the *Superannuation (State Public Sector) Act 1990*

Policy objectives and the reasons for them

The Board of Trustees of the State Public Sector Superannuation Scheme (QSuper Board) administers the State Public Sector Superannuation Scheme (QSuper).

Choice of fund and open fund

Recent amendments to the *Superannuation (State Public Sector) Act 1990* (Super Act) give core State government employees the option to choose the fund to which their superannuation contributions are paid (choice of fund). The Super Act was also amended so that any person may join QSuper (open fund).

Amendments to the Super Deed

The *Superannuation (State Public Sector) Deed 1990* (Super Deed) must be amended to allow choice of fund for core State government employees and QSuper to operate as an open fund. Making these amendments provides an opportunity to make a number of other amendments to the Super Deed in one regulation.

Achievement of policy objectives

Choice of fund

The Amendment of Deed Regulation removes a small number of provisions in the Super Deed that make QSuper membership compulsory for core State government employees, thereby allowing these employees to exercise choice of fund.

Open fund

The Amendment of Deed Regulation makes the following changes to the Super Deed to allow QSuper to operate as an open fund:

- a new accumulation membership category is included in the Super Deed for the general public, named the general accumulation category;
- a number of necessary provisions from chapter ten, now deleted, are relocated in the rules for the general accumulation category;
- a new provision is included in the Super Deed that states the QSuper Board must keep the assets for the defined benefit membership categories separate from the assets for the accumulation membership categories; and
- a new operational power is included in the Super Deed that will allow the QSuper Board to enter into an agreement with a private sector employer to have QSuper as the default superannuation fund for the employer's employees.

Other Amendments

The Amendment of Deed Regulation also makes the following amendments to the Super Deed:

- changes the name of the State Public Sector Superannuation Scheme to QSuper, to align the scheme's name with the board of trustees change in name to QSuper Board;
- consolidates the superannuation contributions surcharge provisions for QSuper within the Super Deed, following a number of the provisions being removed from the Super Act;
- amends the Super Deed's benefit cashing provisions for persons who are totally and permanently disabled to remove the additional requirement that the person leaves employment;
- removes the restriction that the QSuper Board cannot accept single lump sum contributions that would cause a member to exceed their non-concessional contributions cap, aligning the Super Deed with recent amendments to Commonwealth superannuation legislation;
- clarifies the quantum and accessibility of amounts transferred to the accumulation category under a number of specific scenarios when a member transfers benefit category, confirming the current administrative practice; and
- removes a number of redundant and/or spent provisions.

Consistency with policy objectives of authorising law

This Amendment of Deed Regulation is consistent with the policy of the authorising law in that the Super Deed may be amended by regulation.

Inconsistency with policy objectives of other legislation

The Amendment of Deed Regulation is consistent with the policy objectives of other legislation.

Benefits and costs of implementation

It is not expected that the implementation of the Amendment of Deed Regulation will result in significant costs.

Consistency with fundamental legislative principles

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

Consultation

Consultation has occurred with the QSuper Board, the Government Superannuation Officer and the Office of the Queensland Parliamentary Counsel.

Results of consultation

In accordance with the Queensland Government Guide to Better Regulation, the Office of Best Practice Regulation (OBPR) was consulted in relation to the regulatory proposal. OBPR advised the proposed amendments do not require further assessment as the proposals fall within an exclusion category (Category c – regulatory proposals for the internal management of the public sector or statutory authority) or do not impose significant impact on business, community or Government.

The QSuper Board has approved the amendments for submission to the Governor in Council.

All other parties agree with the amendments to the Super Deed.