

Superannuation (State Public Sector) Amendment of Deed Regulation 2019

Explanatory notes for SL 2019 No. 95

made under the *Superannuation (State Public Sector) Act 1990*

General Outline

Short title

Superannuation (State Public Sector) Amendment of Deed Regulation 2019

Authorising law

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

Policy objectives and the reasons for them

The *Superannuation (State Public Sector) Deed 1990* (the Deed) establishes QSuper.

It is proposed that a new chapter 10 is inserted to consolidate the existing pension and annuity provisions (other than defined benefit pension and annuity provisions) within the Deed. The new chapter prescribes the rules of the income streams that may be offered by the QSuper Board and the eligibility criteria to commence a pension (in accordance with Commonwealth legislation). It also provides a flexible framework for the development of future retirement products and income stream features, subject to Commonwealth legislation.

Proposed amendments to the Deed also clarify that income stream reversionary beneficiaries take precedence over individuals nominated under a binding death benefit nomination, as per Commonwealth legislation.

In addition, it is proposed to amend the Deed to clarify that Magistrates and Acting Magistrates in the Standard Defined Benefit category are not eligible for income protection. This amendment does not alter these members' entitlements but clarifies that they do not require access to income protection due to their employment arrangements.

Achievement of policy objectives

A dedicated chapter for income streams provides a framework for the development of income stream products and features in line with changes in Commonwealth legislation. It also improves the overall structure of the Deed as all income stream provisions (other than lifetime defined benefit income stream provisions) are consolidated.

Further, clarifying that Magistrates and Acting Magistrates are not eligible for income protection benefits ensures alignment with existing entitlements whilst clarifying the relationship between binding death benefit nominations and reversionary nominations removes uncertainty.

Consistency with policy objectives of authorising law

The *Superannuation (State Public Sector) Amendment of Deed Regulation 2019* (the Regulation) is consistent with the policy of the authorising law in that regulations can be made to administer QSuper.

Inconsistency with policy objectives of other legislation

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

Benefits and costs of implementation

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

Consistency with fundamental legislative principles

The Regulation is consistent with fundamental legislative principles and ensures QSuper's governing rules are clearly consistent with Commonwealth superannuation legislation.

Consultation

The QSuper Board and the Government Superannuation Officer have been consulted. The Queensland Productivity Commission has also been consulted and has advised that no regulatory impact statement is required as the proposed amendments are unlikely to result in significant adverse impacts.

Results of consultation

All parties agree with the amendment to the Deed.