



Queensland Treasury

Our Ref: 04886-2020

Mr John Oliver
State Secretary
United Firefighters' Union of Australia,
Union of Employees, Queensland
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Dear Mr Oliver

Thank you for your members' and your patience as we work through the details of the process for payments to ensure retiring defined benefit members suffer no disadvantage as a consequence of the deferral of wage increases in enterprise bargaining agreements.

I can confirm that the Queensland Government will be providing payments not just for retiring members, but members or their beneficiaries in "retirement-like" circumstances. In addition to payments to retiring members, "no disadvantage" payments will be made to defined benefit members for the following benefits:

- death;
- permanent disablement;
- terminal medical condition;
- resignation after reaching preservation age;
- redundancy after reaching preservation age.

This "no disadvantage" payment will be made outside of superannuation and will not be made into employees' superannuation accounts, to avoid adverse impacts on employee superannuation caps and associated charges for exceeding those caps. While the exact process is being confirmed, it is expected that these "no disadvantage" payments will be made directly to employees by employers.

QSuper will pay the standard benefits based on accrued multiple and actual final salary, as per the Fund's rules. As part of that process, QSuper will obtain the deferred salary information from employers and advise employers of any additional amount that would have been payable if not for the wage increase deferral. The intention of this approach is that employers will identify and process the additional payment without any need for individual employees to apply for the payment.

It is proposed that employers gross up these amounts for tax, based on the remuneration information employers have at hand. Payments are proposed to be made into the bank account that the employees had nominated for their salary. Treasury is in the process of receiving advice on the tax treatment of these payments.

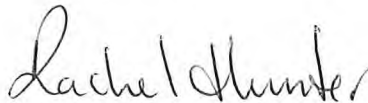
As the calculations for the "no disadvantage" payments are separate to the QSuper benefit, processes will be established to address any queries on the calculation of the payments.

As you may appreciate, there are still a number of issues which need to be worked through in finalising this process. I ask for your and your members' ongoing patience while Treasury works with Queensland Government payroll providers, employers and QSuper to ensure the process for making these payments provides the outcome to employees to which the Government committed.

A similar process will be undertaken with superannuation funds other than QSuper, where relevant.

If you or your members have any questions, they can be directed to Mr Glenn Miller, Government Superannuation Officer, Queensland Treasury, on (07) 3035 1962 or govsuperofficer@treasury.qld.gov.au.

Yours sincerely



Rachel Hunter
Under Treasurer

6 / 10 / 2020