



Australian Government

Comcare

PUTTING YOU *FIRST*

JURISDICTIONAL POLICY ADVICE NO. 2010/08

Safety, Rehabilitation and Compensation Act 1988

June 2010 superannuation pension update—sections 20 and 21A

PURPOSE

1. The purpose of this jurisdictional policy advice is to inform determining authorities of an adjustment to the employer funded portion of Commonwealth Government superannuation pensions. The adjustment can affect the weekly amount of compensation payable to ex-employees under sections 20 and 21A of the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act).
2. Relevant superannuation pensions were increased by 1.4% effective from 18 June 2010 for the first pay 1 July 2010. The increase impacts on compensation payable from 1 July 2010 under sections 20 and 21A.

BACKGROUND

3. The employer funded portion of all Commonwealth Government superannuation scheme pensions is reviewed twice a year in line with movements in the Consumer Price Index (CPI).
4. Any adjustment is reflected in pensions paid on the first pension payday in January and July and can affect the weekly amount of compensation payable to ex-employees under sections 20 and 21A of the SRC Act.
5. The overall effect of this adjustment is to reduce incapacity entitlements under sections 20 and 21A by the amount the superannuation pensions increase.
6. Licensed authorities are required to include increases in non-Commonwealth superannuation pensions when calculating compensation under sections 20 and 21A.

POLICY ADVICE

7. Australian Reward Investment Alliance (ARIA) is the administering authority for the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. ARIA has advised that the CPI movement used to calculate the pension rate, for the six month period from September 2009 to March 2010 was 1.4%.
8. This figure also applies to pensions paid by the Defence Force Retirement and Death Benefits scheme (DFRDB) and the Military Superannuation and Benefits Scheme (MSBS).

9. Determining authorities must ensure that ex-employees who are receiving benefits under sections 20 and 21A are paid the correct amount by regularly checking the 'superannuation amount' under section 20 and 'superannuation amount in relation to the pension' under section 21A.
10. For ex-employees paid by the ARIA, DFRDB and MSBS schemes, rates can be found on the Comcare website www.comcare.gov.au.
11. For ex-employees paid under non-Commonwealth superannuation schemes, determining authorities must regularly check with the relevant scheme administrator to ensure that the correct weekly benefits are being paid.

MORE INFORMATION

12. For more information about this advice email Comcare's Strategic Policy team at StrategicPolicy@comcare.gov.au or call 1300 366 979.

Denise Lowe-Carlus
Director Strategic Policy
Chief Actuary Group

20 July 2010