

5.6 (a) SUPERANNUATION FLEXIBILITY

The UTS Enterprise Agreement for Support staff and the Certified Agreement for the Senior Staff Group include a clause which allows the University to offer staff a new option in relation to superannuation contributions.

The option allows staff members to elect to forego the employer superannuation contribution that UTS pays to the staff member's UniSuper Award Plus Plan (APP) and instead receive that amount as non-superannuable salary in their pay each fortnight.

Taking up this option would mean that less money goes to your superannuation account and more money goes directly into your fortnightly pay. In order to decide if this is the best option for you, UTS encourages staff to read this fact sheet and seek appropriate independent financial advice.

WHO IS ELIGIBLE TO TAKE UP THIS OPTION?

Any current member of staff who makes compulsory contributions to the UniSuper Defined Benefit Plan (DBP) or Investment Choice Plan (ICP) is eligible to take up this option. The amount that you can elect to add to your salary depends on the level of compulsory contribution that you make to UniSuper.

HOW MUCH OF THE UNIVERSITY'S CONTRIBUTION TO APP CAN I ELECT TO TAKE AS NON-SUPERANNUABLE SALARY?

Full-rate contributors to UniSuper can claim 3% of their salary as a non-superannuable payment. Full-rate contributors are those staff who make compulsory contributions of 7% to UniSuper.

Half-rate contributors can claim 1% of their salary as a non-superannuable payment. Half-rate contributors are those staff who have elected to make compulsory contributions of 3.5% to UniSuper (staff appointed below level 5 of the support staff salary structure).

UTS currently makes 3% employer contributions to the UniSuper APP for staff who are full-rate or half-rate contributors. In accordance with the Federal Superannuation Guarantee Administration Act, UTS must contribute not less than 9% of your salary to a superannuation fund. UTS contributes a total of 10% to UniSuper for half rate contributors, therefore staff who are half-rate contributors can elect to claim only 1%.

HOW WILL THIS AFFECT MY TAKE-HOME SALARY?

The 3% (or 1% for half rate contributors) will form part of your gross salary and will therefore be subject to withholding tax. Payment will increase the dollar amount that appears on your Payment Summary (previously known as a group certificate) each financial year.

The payment will be non-superannuable. This means the dollar amount will not be included with your base salary to calculate your compulsory contributions and the University's other employer contributions to UniSuper.

WHAT HAPPENS TO MY UNISUPER AWARD PLUS PLAN ACCOUNT?

When you take up this option, your Award Plus Plan (APP) will be transferred to an inactive Voluntary Holding Account. UniSuper presently charges an annual administration fee for a Voluntary Holding Account which you would pay in addition to other fees being paid by you.

Any additional voluntary contributions to your APP account via payroll will cease. However, you may make additional contributions directly to UniSuper by cheque or B-Pay.

