5.6 Superannuation Guidelines

1 Introduction

Superannuation is money set aside which accumulates over your working life to provide you with an income for your retirement. As a UTS staff member, funds for your superannuation are sourced from UTS as employer contributions and, at your election, from you directly. At UTS, employer contributions to superannuation are considered part of your total remuneration package (TRP). Some staff may be eligible for employer contributions which are more generous than legislated compulsory employer contributions.

UniSuper is the industry super fund dedicated to staff who work in the higher education and University sector and is the default fund for staff at UTS. Contributions to the fund are made in accordance with the University’s Trust Deed with UniSuper and UTS enterprise agreements. Some longer serving staff may be members of public sector State Super schemes (SSS¹ and SASS²) which are closed to new members. Members of SSS and SASS should contact their fund directly for information and advice (refer to section 11 below for contact details).

These Guidelines summarise the superannuation arrangements in place at UTS, particularly those applicable to UniSuper membership. Full details of UniSuper products, membership features and options are found in the product disclosure statements (PDS) available on the UniSuper website. When you are considering superannuation options or changes, it is recommended that you contact your fund’s advisers or a licensed financial adviser for information or advice.

2 Definitions

The following terms used throughout these guidelines:


Compulsory Employer Contributions: All employees receive compulsory superannuation contributions in accordance with the provisions in Superannuation Legislation (defined above). The Compulsory Employer Contribution level, the Superannuation Guarantee (also known as minimum superannuation) is paid directly into your superannuation account on a fortnightly basis. This amount will increase incrementally from 9% to 12% between 2013 and 2019 as shown in the table below and prescribed by Superannuation Legislation (the rates specified in the table below are subject to and will be in accordance with Superannuation Legislation as varied from time to time).

<table>
<thead>
<tr>
<th>YEAR</th>
<th>RATE</th>
<th>YEAR</th>
<th>RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 30 June 2013</td>
<td>9.00%</td>
<td>1 July 2016</td>
<td>10.50%</td>
</tr>
<tr>
<td>1 July 2013</td>
<td>9.25%</td>
<td>1 July 2017</td>
<td>11.00%</td>
</tr>
<tr>
<td>1 July 2014</td>
<td>9.50%</td>
<td>1 July 2018</td>
<td>11.50%</td>
</tr>
<tr>
<td>1 July 2015</td>
<td>10.00%</td>
<td>1 July 2019 and onwards</td>
<td>12.00%</td>
</tr>
</tbody>
</table>

¹ State Superannuation Scheme (SSS) is a NSW public sector contributory scheme which currently has a small number of UTS staff members, and is a defined benefit scheme only.
² State Authorities Superannuation Scheme (SASS) is a public sector scheme which is a split benefit scheme, and applies to a small number of current UTS staff members.
Full Employer Contributions: Certain UTS staff are eligible for Full Employer Contributions (currently 17%) which includes the Compulsory Employer Contribution. The legislated increases in the Compulsory Employer Contribution level will be absorbed into the Full Employer Contribution level and will not be paid as an additional contribution.

Standard Member Contributions: Refers to the percentage of salary (currently 7%) which individual members of UniSuper contribute and which UTS will deduct from your pay as a default when you commence at UTS.

3 Superannuation Contributions and UniSuper Membership Category - Summary
The standard UniSuper arrangements for contributions is based on your appointment type; however, if you are aged 65 or more at the time of appointment then different arrangements may apply. The table below provides a summary of the superannuation arrangements and Section 4 describes the arrangements in more detail.

<table>
<thead>
<tr>
<th>Membership Category of UTS staff</th>
<th>Employer contribution level</th>
<th>UniSuper Account</th>
<th>Can Standard Member Contributions be made? (currently 7% default)</th>
<th>Can Voluntary Contributions be made?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Casuals</td>
<td>9-12% - Compulsory Employer Contribution level</td>
<td>Accumulation 1</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>b) Staff on fixed-term contracts of 12 months or less</td>
<td>9-12% - Compulsory Employer Contribution level</td>
<td>Accumulation 1</td>
<td>No</td>
<td>Yes (Salary sacrifice or after-tax)</td>
</tr>
<tr>
<td>c) Staff on fixed-term contracts of greater than 12 months</td>
<td>17% - Full Employer Contribution level</td>
<td>Defined Benefits Division (DBD) or Accumulation 2</td>
<td>7% - Yes (Salary sacrifice or after-tax)</td>
<td>Yes (Salary sacrifice or after-tax)</td>
</tr>
<tr>
<td>d) Staff on fixed-term contracts whose second and/or subsequent contract takes their continuous service to greater than 12 months</td>
<td>17% - Full Employer Contribution level</td>
<td>Defined Benefits Division (DBD) or Accumulation 2</td>
<td>7% - Yes (Salary sacrifice or after-tax)</td>
<td>Yes (Salary sacrifice or after-tax)</td>
</tr>
<tr>
<td>e) Staff on continuing contracts</td>
<td>17% - Full Employer Contribution level</td>
<td>Defined Benefits Division (DBD) or Accumulation 2</td>
<td>7% - Yes (Salary sacrifice or after-tax)</td>
<td>Yes (Salary sacrifice or after-tax)</td>
</tr>
<tr>
<td>Membership Category of UTS staff</td>
<td>Employer contribution level</td>
<td>UniSuper Account</td>
<td>Can Standard Member Contributions be made? (currently 7% default)</td>
<td>Can Voluntary Contributions be made?</td>
</tr>
<tr>
<td>----------------------------------</td>
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</tr>
<tr>
<td>f) Staff aged 65 and over at the time of appointment on a continuing or fixed-term contract of greater than 12 months</td>
<td>17% - Full Employer Contribution level</td>
<td>Accumulation 1</td>
<td>No</td>
<td>Yes, under certain circumstances providing you are age &lt;75 (Salary sacrifice or after-tax); No for age 75+</td>
</tr>
<tr>
<td>g) Staff who reach age 65 during appointment</td>
<td>As per a) to f) above</td>
<td>As per a) to f) above for age &lt; 75 Accumulation 1 for age 75+</td>
<td>As per a) to f) above for age &lt; 75 No age 75+</td>
<td>As per a) to f) above for age &lt; 75 No for age 75+</td>
</tr>
</tbody>
</table>

4 Superannuation Contribution and UniSuper Membership Category – In full

An explanation of the summary above is provided below; however, further information about Voluntary Contributions (the last column of the table) is provided in Section 6.

a) Casual staff:

Casual staff receive the Compulsory Employer Contribution in accordance with Superannuation Legislation (ie 9-12%). Compulsory Employer Contributions will be paid into a UniSuper Accumulation 1 account on your behalf. Casual staff do not have the option to make Standard Member Contributions or Voluntary Contributions.

Further information may be accessed from the UniSuper Accumulation 1 product disclosure statement (PDS) on the UniSuper website.

b) Staff on fixed-term contracts of 12 months or less

Staff on fixed-term contracts of 12 months or less receive the Compulsory Employer Contribution in accordance with Superannuation Legislation (ie 9-12%). Compulsory Employer Contributions will be paid into a UniSuper Accumulation 1 account on your behalf.

You cannot make Standard Member Contribution but you may choose to make Voluntary Contributions, which may be made as a fortnightly after-tax deduction from your pay, or by entering into a salary packaging arrangement so that your member contributions are made on a pre-tax basis (see UTS salary packaging website).

Further information may be accessed from the UniSuper Accumulation 1 PDS on the UniSuper website.

c) Staff on fixed-term contracts greater than 12 months

Staff members who are employed on a fixed-term contract of greater than 12 months are eligible for Full Employer Contribution level (currently 17%). Staff in this member category may choose either the DBD account (default), or the Accumulation 2 account.
The default account is DBD; however, you may transfer your membership to an Accumulation 2 account at any time during the first 24 months of the new or renewed contract by completing the appropriate UniSuper Form. Further information may be accessed from the UniSuper DBD or Accumulation 2 PDS on the UniSuper website.

Staff members in this category, as a default, will make Standard Member Contributions (currently 7%). These contributions are made as a fortnightly after-tax deduction from your pay, however, you can choose to enter into a salary packaging arrangement and make your member contributions on a pre-tax basis (see UTS salary packaging website). If you wish, you can choose to reduce your level of Standard Member Contribution from 7% under UniSuper’s Contribution Flexibility provisions (refer to Section 7 below). You may also make additional Voluntary Contributions.

d) **Staff on fixed-term contracts whose second and/or subsequent contract extends beyond 12 months continuous service:**

Staff on fixed-term contracts whose contract has been renewed, or who receive another contract which takes their continuous service past 12 months are eligible to move from the Compulsory Employer Contribution level to the Full Employer Contribution level (currently 17%) from the first date of the new or renewed contract. Your membership will be transferred (from the UniSuper Accumulation 1 account) into your choice of either the DBD account (default), or the Accumulation 2 account.

The default account is DBD; however, you may transfer your membership to an Accumulation 2 account at any time during the first 24 months of the new or renewed contract by completing the appropriate UniSuper Form. Further information may be accessed from the UniSuper DBD or Accumulation 2 PDS on the UniSuper website.

Staff members in this category, as a default, will make Standard Member Contributions (currently 7%). These contributions are made as a fortnightly after-tax deduction from your pay, however, you can choose to enter into a salary packaging arrangement and make your contributions on a pre-tax basis (see UTS salary packaging website). If you wish, you can choose to reduce your level of Standard Member Contribution from 7% under UniSuper’s Contribution Flexibility provisions (refer to section 7 below).

e) **Staff on continuing contracts**

Staff employed on a continuing basis are eligible for Full Employer Contribution level (currently 17%). Staff in this member category may choose either the DBD account (default), or the Accumulation 2 account.

The default account is DBD; however, you may transfer your membership to an Accumulation 2 account at any time during the first 24 months of the new or renewed contract by completing the appropriate UniSuper Form. Further information may be accessed from the UniSuper DBD or Accumulation 2 PDS on the UniSuper website.

Staff members in this category, as a default, will make Standard Member Contributions (currently 7%). These contributions are made as a fortnightly after-tax deduction from your pay, however, you can choose to enter into a salary packaging arrangement and make your member contributions on a pre-tax basis (see UTS salary packaging website). If you wish, you can choose to reduce your level of standard member contribution from 7% under UniSuper’s Contribution Flexibility provisions (refer to section 7 below).

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3 Breaks between fixed-term appointments of greater than six weeks may constitute breaks in continuous service. If service is broken, the superannuation arrangements for the fixed-term appointment will be handled in accordance with either b) or c) above depending on its duration.
f) **Staff aged 65 and over at the time of appointment on a continuing or fixed-term contract of greater than 12 months**

Staff in this category will receive the Full Employer Contribution level, but are restricted to the Accumulation 1 account style only. You will not have the option to make Standard Member Contributions but may make Voluntary Contributions under certain circumstances up to age 75 (refer to the relevant UniSuper PDS or contact UniSuper).

If you are appointed on a casual or fixed-term contract of 12 months or less then, as for other staff, you will receive the Compulsory Employer Contribution in accordance with Superannuation Legislation (ie 9-12%).

g) **Staff who reach age 65 during appointment**

For existing staff who reach age 65 and who are members of UniSuper, employer contributions (at full or compulsory rates, as applicable) and, if applicable, Standard Member Contributions will continue to be paid into your existing account up to age 75, after which UniSuper will transfer your membership to an Accumulation 1 account and, if you were making Standard Member Contributions, these will cease.

Staff aged 75 years and over will not be able to make Voluntary Contributions.

Staff, who are members of SSS and SASS receiving the Full Employer Contribution, are required to exit their fund at age 70. These staff will continue to receive the level of employer contribution outlined in their contract of employment, however these contributions will be paid into a new UniSuper Accumulation 1 account.

5 **Voluntary Contributions**

Voluntary Contributions refer to contributions made at the request of a staff member to a superannuation account, in addition to Standard Member Contributions (if they apply). All staff except for casual staff and staff aged 75 years or over may make Voluntary Contributions on a one off or regular fortnightly basis. Such contributions may be made as an after-tax deduction from your pay or through a salary packaging arrangement on a pre-tax basis (see UTS salary packaging website):

6 **UniSuper's Contribution Flexibility**

Staff required to make Standard Member Contributions as the default arrangement for their UniSuper account may reduce the level of their contribution to below 7% under UniSuper's Contribution Flexibility provisions. This decision is an important one and is irrevocable. It is recommended that you consider the options carefully, seek financial advice and contact UniSuper for more information (see the UniSuper Fact Sheet on Contribution Flexibility).

7 **UTS Employer Contribution Superannuation Flexibility**

Senior Staff Group and Support Staff receiving the Full Employer Contribution level are eligible to apply for superannuation flexibility. Superannuation flexibility enables eligible staff to elect to reduce the employer contribution level paid into their superannuation account by UTS from 17% to 14% of salary, and instead receive the 3% balance as a non-superannuable cash payment in your fortnightly pay. This arrangement is available under the Support Staff Agreement 2010 and Senior Staff Group Collective Agreement 2009 and UniSuper Trust Deed. This option is not available to staff members covered by the Academic Staff Agreement 2010.
For further information contact the UTS Superannuation Officer on 9514 2845 or 9514 2853. It is recommended that you seek financial advice before applying for superannuation flexibility. The election form is available from the UTS superannuation website.

8 Concessional Contributions Cap

The Commonwealth Government sets a limit or “cap” on the total amount of concessional contributions that you can make to superannuation in each financial year and still receive the concessional tax rate. If you exceed your concessional contributions cap, you may pay a higher tax rate on any contributions that exceed these limits. It is your responsibility to monitor and be aware of your total contributions and possible tax impact.

To discuss strategies or mechanisms to manage your concessional contributions you should contact UniSuper and/or your financial adviser. For more information, refer to UniSuper or the Australian Tax Office websites.

9 Choice of Superannuation Fund

Eligibility for choice of fund is not generally available because UniSuper is the default fund for UTS staff, however limited exceptions may apply.

10 Impact of Unpaid Leave, Leave at Half Pay and Reductions of Hours on Superannuation

Periods of unpaid leave, leave at half pay and reduction of hours (eg from full-time to part-time) can impact on the contributions (made by UTS and you) to your superannuation fund. Different funds (ie UniSuper, SSS and SASS) have different rules so it is important that you contact your fund to find out how your plans for leave or hours reduction will affect your superannuation.

Your superannuation fund may require or allow for your Standard Member Contributions and the Employer Contributions to be maintained during the period of the leave or hours reduction. The cost of maintaining both the Standard Member and the Employer Contributions during this period will normally be your responsibility. Therefore you will normally be required to make payments to UTS to allow these contributions to be paid to your superannuation fund at the maintained rates.

Refer to the relevant Leave Guidelines for further information about how different types of leave may be treated for superannuation purposes and contact your superannuation fund.

11 Contacts

UniSuper
State Super (SSS and SASS)
UTS Superannuation Officer, Financial Services Unit
http://www.unisuper.com.au
http://www.statesuper.nsw.gov.au
Email - superannuation@uts.edu.au
Telephone - 9514 2845 or 9514 2853
## Approvals

<table>
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<tr>
<th>EFFECTIVE DATE</th>
<th>18 June 2013</th>
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<tr>
<td>REVIEW DATE</td>
<td>Whenever changes are made to superannuation or 2018</td>
</tr>
<tr>
<td>ACCOUNTABLE OFFICER</td>
<td>Human Resources Director</td>
</tr>
<tr>
<td>CURRENT INCUMBENT</td>
<td>Jennifer Lacoon</td>
</tr>
<tr>
<td>IMPLEMENTATION OFFICER</td>
<td>Remuneration and Benefits Manager</td>
</tr>
<tr>
<td>CURRENT INCUMBENT</td>
<td>Sumitra Kumar</td>
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## Revision/Modification History

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<tr>
<th>Date</th>
<th>Current title</th>
<th>Summary of changes</th>
<th>Approved/ rejected</th>
<th>Approval authority</th>
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<tbody>
<tr>
<td>26 June 2002</td>
<td>Superannuation Guidelines</td>
<td>New Guideline</td>
<td>Approved</td>
<td>DVC (Administration)</td>
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<tr>
<td>8 September 2005</td>
<td>Unchanged</td>
<td></td>
<td>Approved</td>
<td>HR Director</td>
</tr>
<tr>
<td>18 June 2013</td>
<td>Unchanged</td>
<td>Comprehensive re-write and update of guidelines to reflect changes in superannuation legislation, Unisuper products and how these apply at UTS</td>
<td>Approved</td>
<td>HR Director</td>
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