

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Additional Estimates 2016 - 2017

Agency - Fair Work Commission

Department of Employment Question No. EMSQ17-001958

Senator Cameron asked on 30 March 2017 on proof Hansard page 15

Question

FWC - Superannuation Arrangements for Fair Work Commission Members

Senator CAMERON: And a former deputy president would retire on \$251,376 per annum. Justice Ross: Each of those presidential members, though, are presidential members who were appointed under the former Workplace Relations Act. There are different superannuation arrangements that apply to presidential members appointed under the Fair Work Act.

Senator CAMERON: Maybe you could, on notice, provide us with what the differences are.

Justice Ross: I do not think there is any pension provided at all to presidential members appointed under the Fair Work Act.

Senator CAMERON: They would have an accumulation pension, would they?

Ms Carruthers: It is a superannuation accumulation plan.

Answer

Entitlements of Presidential Members appointed under the Workplace Relations Act 1996 or Industrial Relations Act 1988

Vice Presidents, Senior Deputy Presidents and Deputy Presidents who were originally appointed to the Australian Industrial Relations Commission (AIRC) under the *Workplace Relations Act 1996* (WR Act) or the *Industrial Relations Act 1988* and who were subsequently appointed to the Fair Work Commission (Commission) are entitled to a judicial pension under the *Judges' Pensions Act 1968* (JP Act).

The judicial pension is an unfunded defined benefit scheme that is governed by the rules set out in the JP Act. The liability and expenses associated with judicial pensions are recorded in the Department of Finance's financial statements.

Members who have reached at least 60 years of age and have 10 or more years of service are entitled to a pension of 60 per cent of salary (as adjusted from time to time by the Remuneration Tribunal). The salary of a Vice President, Senior Deputy President and Deputy President who was originally appointed to the AIRC is 103 per cent, 100 per cent and 95 per cent respectively of the salary paid to a Judge of the Federal Court of Australia.

The rate of pension is reduced if the Member has a superannuation surcharge debt.

Entitlements of President of the Commission appointed under Fair Work Act 2009

Under s.636 of the *Fair Work Act 2009* (FW Act), the President of the Commission is entitled to a judicial pension under the JP Act (unless he or she decides to remain in a public sector superannuation fund).

Entitlements of all Members (other than the President) appointed under Fair Work Act 2009

All Members of the Commission appointed under the FW Act other than the President receive a total remuneration package (as determined from time to time by the Remuneration Tribunal) which includes employer superannuation contributions. Members appointed under the FW Act are not entitled to receive a judicial pension.

If a Member belonged to the CSS or PSS public sector defined benefits superannuation fund prior to appointment, he or she may remain in that fund. Otherwise, the Commission will make contributions to a compliant superannuation accumulation fund of the Member's choice.