

**SENATE STANDING COMMITTEE ON
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

**QUESTIONS ON NOTICE
BUDGET ESTIMATES 2009-10**

Outcome/Agency Comcare

DEEWR Question No. EW0242_10

Senator Marshall asked on 2 June, EEWHR Hansard page 12

Question

Superannuation for public servants as opposed to employees of the self-insurers

CHAIR—So it is not actually part of superannuation, a self-insurer just has to make that money up themselves. It is 70 per cent of their pre-injury earnings, not 70 per cent less a superannuation deduction. To me it seems that people are being discriminated against merely because of the fact that they are a public servant as opposed to the way people would be treated if they were a self-insurer under the same scheme.

Mr Dolan—I am just working the various elements of it through in my head, because, as you know, it is quite a complicated provision of the act. Would it be useful if we were to give you a more considered and written response to your question—which is, as I understand it: is there a differential impact of the act in terms of superannuation on public servants as opposed to employees of the self-insurers?

CHAIR—Yes, I am happy for you to do that, but it is a little bit broader than that because it is also: what are your pre-injury earnings after you have been fully incapacitated? It certainly does go to the issue of how the superannuation is treated at the time.

Answer

Comcare has provided the following response:

Commonwealth public servants would usually belong to the ARIA schemes (PSS, CSS, DFRDB etc). The ARIA schemes have, as part of their scheme rules, a requirement for employees who are injured and on incapacity for more than 12 weeks and not yet retired to contribute to the fund at 5 per cent of their weekly income, regardless of the level they had elected to contribute prior to their incapacity (eg zero per cent). Their employers are also required to continue to make employer contributions to the fund in these circumstances.

There may be some public servants and employees of licensees who can elect to contribute to a specific superannuation scheme, or may not be required to be a member of a scheme which requires employee contributions at all. In these instances, it would be a matter for the rules of each individual scheme to determine the rate at which a long term incapacitated employee (not yet retired) would be required to contribute.

Should a Comcare scheme employee be a member of such a superannuation scheme, their 'take home' gross amount after 45 weeks would be 75 per cent of normal weekly earnings, prior to retirement. However, such schemes would, in all likelihood, not require the employer to make a contribution either, so such an employee would not be better off than a member of a scheme which required the 5 per cent employee contribution.