



MEDIA STATEMENT

FOR IMMEDIATE RELEASE

December 12, 2019

Information on the Qld Government announcement re: Defined Benefits

The Queensland Government has announced that it will create a “Queensland Future Fund” as part of its plan to meet the Government’s debt obligations.

The announcement states that funding will be sourced from the surplus of funds held by the Government in a separate reserve for future defined benefit liabilities.

Importantly, the funds are not being sourced in any way, and are separate, from the superannuation entitlements held within the QSuper Fund.

“The surplus is from funds that belong to the Queensland Government. They sit in a voluntary reserve which was set up and funded by a succession of governments to meet the state’s defined benefit liabilities,” the QSuper CEO, Michael Pennisi, said.

The announcement also states that the Queensland Government will enact legislation to require that “defined benefits are always 100% funded” which is to provide certainty for its employees with defined benefits.

“QSuper manages over \$95 billion in funds on behalf of our members. This is members’ money, managed by the QSuper board and is not accessible to any party, including the Queensland Government.

“QSuper exists solely to create retirement incomes to assist our members and their retirements.

QSuper is regulated by Federal superannuation laws which determine how its funds can be used.

The QSuper CEO Michael Pennisi said: “The Qld Government’s announcement has no bearing on the QSuper Fund and the funding is not being sourced from QSuper. It does not affect our members or their superannuation balances.

“Queensland is the only State to have set aside reserves in this way and they currently amount to more than is needed to meet liabilities.

“This is confirmed by the recent report of the State Government Actuary.

Under section 29 of the QSuper Act, the Treasurer is required to contribute funds to QSuper to meet its superannuation obligations, including its defined benefit obligations. The announcement today does not change this in any way.



Background - Defined Benefit Scheme

QSuper has more than 585,000 members, and about 39,000 of these, or less than 10 per cent, are in the Defined Benefit scheme.

The Defined Benefit scheme provides a benefit to members based on years of service and final salary.

Queensland was the last state to close its Defined Benefit Scheme to new members in 2008 and is the only state to have a surplus.

Defined Benefit accounts are prescribed under legislation. The Queensland Government is required by law to pay all entitlements to Defined Benefit members at the time they retire.

- Ends -

This information is provided by the QSuper Board (ABN 32 125 059 006, AFSL 489650) as trustee for the QSuper Fund (ABN 60 905 115 063). The QSuper Board is the issuer of QSuper products. You should consider the product disclosure statement (PDS) to see if it is right for you. A copy of the PDS is available at qsuper.qld.gov.au or call us on 1300 360 750.

About QSuper

QSuper is one of Australia's largest superannuation funds, with more than \$95 billion in funds under management. From humble beginnings over a century ago, today we manage the retirement savings of more than 585,000 members.

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