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**Policy Approver:** Executive Director, Human Resources

**Policy Steward:** Director, Hr Specialist Services

# Superannuation Procedure (MPF1172)

## GOVERNING POLICY

This procedure is made under the [Remuneration, Recognition and Working Conditions Policy](#).

## SCOPE

This procedure applies to all staff at the University.

## PROCEDURE

### 1. Eligibility for UniSuper Defined Benefit Division / Accumulation Super 2

1.1. Full-time and part-time staff whose appointments are:

- for at least 2 continuous years or more; and
- funded from the University's recurrent funding

are required to join the UniSuper [Defined Benefit Division](#) or UniSuper [Accumulation Super 2](#) as a condition of employment.

1.2. Staff members who meet the criteria outlined in section 1.1 will initially join the Defined Benefit Division as the default plan. Staff will then have a period of 24 months from the date of joining to decide whether they wish to remain in the Defined Benefit Division or transfer to the Accumulation Super 2.

1.3. Staff employed on research continuing employment (contingent-funded) contracts of employment are also required to join the Defined Benefit Division or Accumulation Super 2 funds.

1.4. Once a member has transferred to the Accumulation Super 2, it is not possible to transfer back to the Defined Benefit Division.

1.5. A request for a staff member who does not meet the criteria for membership of either the Defined Benefit Division or Accumulated Super 2 can be approved by the head of budget division only where there are funding arrangements making full and adequate provision for the full contribution of the University to be met from other than University recurrent funding.

### 2. Eligibility for UniSuper Accumulation Super 1

2.1. Staff who do not meet eligibility criteria as outlined in section 1 above for the UniSuper Defined Benefit Division or UniSuper Accumulation Super 2 will join as UniSuper Accumulation Super 1 members.

2.2. Casual staff will join as UniSuper Accumulation Super 1 members.

### 3. Contributions by staff members

3.1. Contributions by staff members for Defined Benefit Division or Accumulated Super 2 fund members are automatically deducted from fortnightly salary payments.

3.2. Staff members contribute at either the standard rate of 7% of their salaries, or under contribution flexibility arrangements, can reduce their contributions to 4.45%, 4%, 3%, 2%, 1% or 0%.

3.3. Staff employed at or below salary classifications HEW level 4 may elect to apply for half membership and contribute at 3.5% of salary for a corresponding reduction in employer contributions and benefits.

## **4. Contributions by the University**

4.1. For Defined Benefit Division or Accumulation Super 2 members, the University contributes at a rate of:

- 17% of members salaries
- 10% of members salaries (half membership) (as per section 3.3 above).

4.2. For Accumulation Super 1 members, the University contributes 9% (increasing to 9.25% from 1 July 2013) employer contributions as required under the Superannuation Guarantee legislation. Staff members are not obliged to make any contributions to this plan.

4.3. Casual staff receive 9% contributions (increasing to 9.25% from 1 July 2013) on earnings regardless of minimum thresholds

## **5. Additional voluntary contributions and lump sum payments**

5.1. [Additional voluntary superannuation](#) contributions can be made on a before-tax (salary sacrifice) or after-tax basis and can be varied or ceased on a fortnightly basis. For post tax contributions, staff members are required to complete the UniSuper Regular Voluntary Contribution Election Form. For pre-tax contributions, staff members are required to complete the University's [HR32A Salary Packaging Additional Superannuation](#) form and forward to the Superannuation Team in Human Resources.

Following receipt of initial HR32A form, subsequent changes may be notified to the Superannuation Team via email.

5.2. The staff member must advise the University of their intention to salary sacrifice an additional lump sum payment before the member has an entitlement to the payment (i.e. before the period of employment to which the payment relates or commences).

5.3. Payments referred to in section 5.3 include performance bonuses, backdated remuneration increases and temporary loadings such as general faculty loadings.

5.4. Staff members are required to complete the 'Salary Sacrifice Lump Sum Contribution Details' section of the University's [HR32A](#) form to action this for future lump sum payments.

5.5. Temporary allowances and temporary higher classifications for less than 5 years are treated as an increase in service fraction for the purposes of the defined benefit calculations.

5.6. Casual staff are not eligible to make additional voluntary contributions through the University payroll.

## **6. Part-time appointments, secondments or internal fixed term transfer**

6.1. A period of part-time employment reduces a member's average service fraction which, for Defined Benefit Division members, is one of the factors used in calculating the member's final benefits.

6.2. A member can maintain full benefits while on a part-time appointment, provided the full contributions are paid by the member and the member's department.

6.3. A staff member's superannuation membership, including the contribution level, will remain unchanged during the period of a secondment or internal fixed term transfer if the staff member is already contributing to the Defined Benefit Division or Accumulation (2) Plans.

6.4. Defined Benefit Division or Accumulation Super 2 members will maintain full superannuation contributions at 17% throughout their employment at the University, i.e. if a Defined Benefit Division or

Accumulation Super 2 member transfers from one department to another within the University and there is no gap in service, the member must also receive full superannuation contributions in the new position - the employer contributions can not be reverted from 17% to 9% of the salary.

## **7. Superannuation contributions while on leave**

7.1. Superannuation contributions will continue during any period of paid leave and will cease for staff members on leave without salary.

7.2. The period of leave without salary is treated as membership with a service fraction of zero for that period for members of the Defined Benefit Division, with death and disablement benefits continuing but reducing over the period of leave.

7.3. A staff member may continue employee superannuation contributions based on their ordinary salary (excluding allowances and loadings) during any period of parental leave without salary.

7.4. If the staff member chooses to continue employee contributions during unpaid leave, the University will maintain the employer contribution (at a rate of 14% for Defined Benefit Division / Accumulation Super 2 members).

7.5. The University does not pay the 3% award contributions for staff whilst on parental leave without pay. The 3% award (or accumulation) payments are based on an employee's ordinary times earnings. There are no payments being made for ordinary hours of work during the period of unpaid leave.

7.6. Additional contributions are deducted from the staff member's salary to cover the amount of these contributions while the staff member is on parental leave, from the date of advice of parental leave until the time of commencement of unpaid leave.

7.7. Any alternative arrangements must be negotiated with the Payroll Services Team in Human Resources.

7.8. A staff member on WorkCover and receiving Accident Make-up Pay (with or without a formal return to work plan) will have their superannuation payments maintained for a period that does not exceed a continuous 52 weeks or an aggregate of 52 weeks in respect of any one injury. Beyond the 52-week period (continuous or aggregate) superannuation contributions will only be paid on the hours worked by a staff member as specified in their WorkCover Return to Work Plan.

## **8. Death and disablement insurance, temporary incapacity benefit and the special disability scheme**

8.1. Death and disablement insurance cover is an inbuilt feature of the Defined Benefit Division / Accumulation Super 2 membership.

8.2. The [UniSuper website](#) has information for members and provides assistance for [Accumulation Super 1](#) members regarding the option of purchasing optional death and disablement insurance and income protection insurance.

8.3. The University keeps a suitable position available for a member of staff on a temporary incapacity benefit for a period of up to 24 months or for the period of the unexpired term of the member's contract of employment (whichever is the shorter period). The term is defined by the trustees and the need for the incapacity benefit is reviewed every six months.

8.4. Where a disabled staff member has insufficient paid sick leave credits to cover the UniSuper qualifying period they may apply to the head of budget division for extended sick leave with pay. They should submit an [Application for Non-Standard Leave and Leave without Salary](#) form and provide a written case for the additional leave with pay and attaching a medical certificate specifying the period of absence required (as per section 4 of the [Sick Leave Procedure](#) ).

8.5. Approval of extended sick leave with salary by the head of the budget division, prior to a decision by UniSuper for a temporary or permanent disability will be subject to:

- the member must make an application for consideration under the UniSuper scheme which is supported by medical evidence from a medical practitioner to the effect that the member is disabled according to plan definitions, and is likely to remain so until the expiration of the three months qualifying period
- the member must agree to submit to such medical examination as may be required by the University
- the application will be submitted to the head of the budget division for consideration
- the member must acknowledge that the granting of any payments under extended sick leave provisions is an internal University arrangement applicable only to the period between the expiry of the member's sick leave and the completion of the three months absence requirement under UniSuper rules and in no way commits the University or UniSuper to further payments or disability pension after the end of the qualifying period.

## 9. Other information

9.1. The UniSuper website provides comprehensive details of the benefits, contributions and other features of the UniSuper plans. The [HR website](#) provides some information about the UniSuper plans and includes the contact details for the University's Superannuation Team.

9.2. Local HR officers will advise new staff and staff with contract extensions of their eligibility and applicable superannuation schemes, and provide the employee the appropriate forms.

9.3. Staff who are members of other superannuation schemes can obtain more information directly from the relevant superannuation fund about their benefits and conditions.

## RELATED DOCUMENTS

- [Human Resources website](#)
- [Leaving the University Procedure](#)
- [Remuneration, Recognition and Working Conditions Policy](#)
- [Salaries, Loadings and Benefits Procedure](#)
- [HR32A Salary Packaging Additional Superannuation form](#)
- [UniSuper website](#)
- UniSuper - Product Disclosure Statement - Super for Defined Benefit Division and Accumulation 2 members
- UniSuper - Product Disclosure Statement - Super for Accumulation 1 members
- [University of Melbourne Collective Agreement 2010](#)

## RESPONSIBLE OFFICER

The Executive Director, Human Resources is responsible for the development, compliance monitoring and review of this procedure and any associated guidelines.

## IMPLEMENTATION OFFICER

The Director, HR Specialist Services, Human Resources is responsible for the promulgation and implementation of this procedure in accordance with the scope outlined above. Enquiries about interpretation of this procedure should be directed to the implementation officer.

## REVIEW

This procedure is to be reviewed by 30 November 2014.

## VERSION HISTORY

Version	Authorised by	Approval date	Effective date	Sections modified
1	Senior Vice-Principal	21 August 2012	21 August 2012	New version arising from the Policy Simplification Project. Loaded into MPL as Version 1.

2	Senior Vice-Principal	28 March 2013	28 March 2013	Updates to sections 1, 2, 4, 5, 6, 7 and 8.
3	Senior Vice-Principal	20 June 2013	20 June 2013	Amendments to sections 7.2 and 7.3.
4	Policy Officer	15 December 2022	15 December 2022	Amended broken link in 8.2. to point to correct Unisuper website.