

## FAQs

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On 18 July 2016, the RBF Tasmanian Accumulation Scheme Successor Fund Transfer to Tasplan Super became unconditional and was officially announced by the Treasurer on 19 July.

So, what does this mean? It means it's all systems go for the transfer of the RBF Tasmanian Accumulation Scheme to Tasplan on 31 March 2017.

Below is a list of questions and answers regarding the future direction of RBF and the Public Sector Superannuation Reforms.

These questions are updated regularly as new information becomes available or as new questions are submitted by RBF members.

### **What has happened to date?**

#### **What has been the progress with the Public Sector Superannuation Reform Bill?**

On 30 July 2015, the Tasmanian Treasurer made an announcement regarding the future direction of RBF. The outcome of the RBF Strategic Review has resulted in the Public Sector Superannuation Reforms.

The Treasurer's announcement followed an extensive review by the Tasmanian Government into the provision of public sector superannuation services to Tasmanian State Service employees and the Treasurer's consideration of a joint business case submitted by the Boards of RBF, Quadrant and Tasplan.

The Public Sector Superannuation Reform Bill was tabled in State Parliament on 8 March 2016. The Bill was debated and passed by the House of Assembly on 5 April 2016, the Legislative Council on 31 May 2016 and the Public Sector Superannuation Reform Act 2016 received Royal Assent on 17 June 2016.

#### **What does the Act do?**

The Public Sector Superannuation Reform Act:

- allows for the RBF Tasmanian Accumulation Scheme to be transferred to Tasplan;
- provides for responsibility for the RBF defined benefits schemes to be transferred to a Superannuation Commission established under the legislation; and
- makes no change to the entitlements of the members of the RBF defined benefit schemes

#### **When the legislation was being tabled in Parliament, I read information from my union raising concerns about some aspects of the reforms.**

Treasury consulted with a wide range of stakeholders, including public sector unions, regarding the drafting of the Public Sector Superannuation Reform legislation. The unions raised two points of concern - the future governance arrangements for the defined benefit schemes and the arrangements for selection of the default fund for public sector employees after an initial three year period.

The Government considered the feedback from all stakeholders and made several amendments to the legislation addressing the concerns before it went to the House of Assembly.

### **When will this all occur?**

It is planned that the Successor Fund Transfer of the RBF Tasmanian Accumulation Scheme to Tasplan will occur on 31 March 2017 and responsibility for the RBF defined benefits schemes will transfer to the Superannuation Commission from 1 April 2017. Currently, the Department of Treasury and Finance is conducting tender processes for the provision of administration and investment management services for the defined benefit schemes.

### **What are the RBF Board's obligations in the Successor Fund Transfer?**

Both the RBF and Tasplan Boards needed to be satisfied that the transfer of the RBF Tasmanian Accumulation Scheme to Tasplan is in their respective members' best interests, in order to make this decision on behalf of their members.

Both the RBF and Tasplan Boards also needed to be satisfied that their respective memberships will, on balance, receive equivalent rights once the transfer is complete.

**Equivalent rights** means that the bundle of rights is equivalent. That is, as an overall package, RBF members' rights and benefits in Tasplan must be at least as good as or better than members' rights currently in the RBF Tasmanian Accumulation Scheme. It doesn't mean the rights and benefits in Tasplan have to be exactly the same as before.

If the transfer would not be able to provide equivalent rights, then it would not be possible to effect the transfer under the successor fund provisions within the legislation that governs superannuation funds.

### **Didn't Tasplan and Quadrant go through a merger?**

Yes, Quadrant transferred to Tasplan under Successor Fund Transfer arrangements and the two funds have been operating as one entity since November 2015.

### **What does this mean for me?**

#### **I am an RBF Tasmanian Accumulation Scheme member. What does this mean for me?**

RBF Tasmanian Accumulation Scheme members include RBF Investment Account holders, RBF Account Based Pensioners and RBF Term Allocated Pensioners.

The RBF Board undertook a thorough due diligence process to ensure that the transfer of the RBF Tasmanian Accumulation Scheme to Tasplan was in the best interests of the RBF Tasmanian Accumulation Scheme membership and that members would have equivalent rights after the merge.

As an RBF Tasmanian Accumulation Scheme member, your account balance is made up of your past contributions (including employer, concessional and non-concessional contributions) plus investment earnings credited weekly. You can be secure in the knowledge that your funds will be safe and your account balance will not be affected by the transfer to Tasplan.

#### **I am an RBF Tasmanian Accumulation Scheme member with defined benefit rights. What does this mean for me?**

There will be no loss of these entitlements for RBF Tasmanian Accumulation Scheme members with defined benefit rights. Administrative processes are being put in place to administer these entitlements.

Wednesday 7 September 2016

### **I am an RBF Tasmanian Accumulation Scheme member currently receiving an ill health benefit. How does this affect me?**

Between now and March 2017, nothing will change. If there were to be any changes to your insurance arrangements after March 2017, you would be notified.

### **I already have accounts with both Tasplan and the RBF Tasmanian Accumulation Scheme. How does this change affect me?**

Until the planning and designing of the transfer occurs, no decision will be made on the handling of multiple accounts. Any consolidation of accounts will not happen without communicating with you first.

### **My RBF Account Based Pension is not deemed for Centrelink income test purposes as it commenced prior to 1 January 2015. Will this announcement affect this Centrelink treatment?**

RBF has received confirmation from the Australian Taxation Office that these changes will not trigger the application of the new deeming rules for existing RBF Account Based Pensioners who are currently exempt from the new deeming rules which came into effect on 1 January 2015.

### **I am a defined benefit scheme member. What does this mean for me?**

RBF defined benefit scheme members include Contributory Scheme members (and Contributory Scheme Life Pensioners), State Fire Commission Superannuation Scheme members, Tasmanian Ambulance Service Superannuation Scheme members, Parliamentary Superannuation Fund members and Parliamentary Retiring Benefits Fund members.

The RBF Board will be responsible for the RBF defined benefit schemes until fiduciary responsibility is transferred to the Superannuation Commission. The State Government has commenced a process to outsource the provision of defined benefit member administration and investment management services which will be delivered under contract with the Superannuation Commission.

RBF defined benefits members will continue to receive the same service levels during the transition period.

There is no change to entitlements of members of the RBF defined benefits schemes.

### **What will the merged entity look like after the transfer of the RBF Tasmanian Accumulation Scheme accounts and members to Tasplan?**

The merged entity will be larger and stronger, servicing around 165,000 members, managing around \$7.1 billion in assets and delivering significant economies of scale and value for money for its members.

The merged entity will:

- replace RBF as the default fund for Tasmanian State Service employees;
- be in a strong position to compete in the Australian super industry well into the future;
- promote job growth in the Tasmanian economy by establishing a superannuation centre of excellence;
- maintain a strong presence in the Tasmanian community;
- provide opportunities for local businesses through local Tasmanian investments; and
- support the growth of the financial services industry in Tasmania.

RBF and Tasplan are undertaking work on planning and designing how the transfer will occur. This will address areas such as governance, investments, member data, products, services, resourcing and administration.

Wednesday 7 September 2016

### **Will the merger affect the great service I'm used to?**

Between now and March 2017, RBF will be working hard to maintain our service levels and provide consistent and coordinated communications to our members. We will also be working closely with Tasplan to ensure the merge goes as smoothly as possible.

### **Who will run the new entity?**

#### **The CEO**

Current Tasplan CEO, Wayne Day will continue as the CEO after the merger. Wayne's engaging and empowering leadership will grow critical relationships, such as those with regulatory, government, business and union stakeholders. Most importantly, once the merge is completed, Wayne is looking forward to continuing to deliver investment, product and service excellence to the larger membership.

#### **The Board**

The new Tasplan Board is now in place. In July, the Tasplan Board welcomed four members of the RBF Board – Brian Scullin, Neroli Ellis, John Mazengarb and Rebekah Burton. They resigned from the RBF Board in July and attended their first meeting of the new Tasplan Board on 12 August 2016. Former Tasplan Board members Tony Stacey and Nick Heath have resigned.

The RBF Board now consists of Don Challen AM (President), Lindsay Jones, Leigh Mackey and Anton Voss.

Treasury is responsible for the establishment and integration of the Superannuation Commission into Treasury scheduled for 1 April 2017. RBF will continue to work with Treasury to ensure that the transition of the defined benefit members is seamless.

### **How does this change affect RBF products and services?**

RBF members will receive stable products and service during the period up to March 2017.

### **Will I need to do anything?**

No, RBF members do not need to do anything.

### **What happens to my insurance?**

Between now and March 2017, there will be no changes to your insurance other than normal premium changes and reviews. However, until the planning and designing of the transfer occurs, it is not possible to confirm what insurance options the merged entity will offer to transferred RBF Tasmanian Accumulation Scheme members.

### **Will I still be able to make an appointment to see someone at RBF face-to-face?**

Yes, RBF will continue to offer face-to-face service up until March 2017.

### **Will there still be offices in Launceston, Burnie and Devonport?**

There are no plans to change the current office and visitation programs conducted by RBF between now and March 2017.

### **What will be the impact on my fees?**

Until the planning and designing of the transition occurs, it is not possible to confirm what the new fee structure will look like.

### **Will my investments stay the same?**

Between now and March 2017, you will continue to access RBF's Member Investment Choice options. Until the planning and designing of the transfer occurs, it is not possible to confirm what the future offering will be in terms of investment choice. However, at the time of its merge with Quadrant, Tasplan increased the number of investment options from five to nine. Tasplan is currently investigating a Lifecycle product.

### **Will the merged entity be able to accept Superannuation Guarantee contributions on behalf of members working outside the Tasmanian public sector?**

Yes, the merged entity will replace RBF as the default fund for Tasmanian state service employees and, as an APRA licensed fund, will be able to accept Superannuation Guarantee contributions on behalf of members working outside the Tasmanian public sector.

### **Is my RBF Life Pension safe?**

Yes. The Tasmanian Government will retain responsibility for the funding of the RBF defined benefit schemes.

### **How can I stay up-to-date?**

You should visit the RBF website regularly for further updates. Look for this icon on the home page of the website.



### **Will I be better or worse off after the merge?**

The merged entity will be larger and stronger, servicing around 165,000 members, managing around \$7.1 billion in assets and delivering significant economies of scale and value for money for its membership.