

18 February 2013

The Honourable Tim Nicholls  
Treasurer and Minister for Trade  
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Dear Treasurer

Sch. 3(2)(1)(b)

Sch. 3(2)(1)(b) The QSuper Board of Trustees (the Board) considered the issues at its 14 February 2013 meeting.

With respect to your request to amend the Deed to allow Portability for QSuper members, the Board considered the changes requested in terms of the member "best interest" test. Additionally, given their very different nature, the Board considered the practical application of Portability for Accumulation and Defined Benefit members separately.

The Board has approved incorporating the required Deed changes for Accumulation members, consistent with Federal Government superannuation legislation, noting that this will bring QSuper's rules into line with the majority of superannuation funds.

The Board noted that currently Defined Benefit members may elect to transfer 100% of their entitlements to the Accumulation account based on a formula developed by the State Government Actuary and that this provision can be used to enable Portability for these members.

The Board is however, seeking your guidance on whether Defined Benefit members should be permitted to have portability for only part of their Defined Benefit account and if so, whether these members should be permitted to continue contributing to the Defined Benefit account. Whilst a part-transfer and continuing contributions to Defined Benefit may be desired as a further option by some members (as it provides a very significant financial benefit to those members e.g. continuation of insurance), this does affect the employer cost of the Defined Benefit scheme. Given this is essentially an employer sponsor issue, the Board would appreciate your guidance on this question.

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Contrary to Public Interest

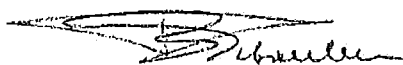
Contrary to Public Interest

Contrary to Public Interest QSuper has always worked in partnership with the Queensland Government and if the Queensland Government were to make this change, the Board wishes to assist in ensuring any transition for our members and all employers is well managed and that it works with the Government to ensure that QSuper remains a strong, viable Queensland fund into the future.

Consequently, the Board has requested that I and QSuper's CEO, Ms Rosemary Vilgen, meet with you to discuss you. I look forward to discussing these issues with you.

Sch. 3(2)(1)(b)

Yours sincerely



**Bob Scheuber**  
Chairman  
QSuper Board of Trustees & QSuper Limited Board

RTI RELEASED