

## EMPLOYEE RELATIONS UPDATE – AUGUST 2004

### CHOICE OF SUPERANNUATION FUNDS – FROM 1 JULY 2005

Most employers currently choose the fund into which they pay their employees' superannuation contributions. Legislation has now been passed to allow employees to decide who manages their superannuation.

#### What are the changes?

From 1 July 2005, employees will be able to choose which super fund their superannuation contributions are paid into.

#### Who will benefit?

Proponents of superannuation choice argue the changes will promote competition and efficiency within the superannuation industry, leading to improved returns and lower fees and charges for all fund members.

Super choice will particularly appeal to part-time workers and to people who have several jobs, as they will be able to direct all their superannuation contributions into one fund. In addition, people who have substantial superannuation account balances and who have been thinking about establishing a self-managed superannuation fund may also take advantage of the changes to direct employer contributions to their own fund.

However, not all employees will have superannuation choice under the changes. Employees who will not be entitled to choose their own superannuation fund include:

- ✍ public sector employees;
- ✍ those employed under state awards or workplace agreements that stipulate the superannuation fund into which contributions are paid; and
- ✍ some defined benefit fund members (where the benefit at retirement is determined by a set formula based on final salary and years in the fund)

Employers need to start considering what internal procedures need to be adapted to be prepared for this change come July 2005.

### QUEENSLAND AWARD RATE INCREASE – EFFECTIVE 1 SEPTEMBER 2004

All Queensland state awards will increase wage rates by \$19 per week, further to a recent decision by a Full Bench of the Industrial Relations Commission. The Queensland Minimum Wage will also increase \$19 to \$467.40 per week. The increase is effective from **1 September, 2004**.

Work related allowances will increase by 3.5% (expense or reimbursement of expense allowances are not effected by this increase).

Certified Agreements or Australian Workplace Agreements which are underpinned by Old state awards are not affected by this decision. Any other over award payment may be used to absorb the increase – the increase effects minimum rates only.

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#### Further Information

*Should you have any questions about the above matter please email your query to [admin@mjsp.org](mailto:admin@mjsp.org).*