

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Budget Estimates 2017 - 2018

Agency - Fair Work Commission

Department of Employment Question No. EMSQ17-004099

Senator Cameron asked on 30 May 2017 on proof Hansard page 8

Question

FWC - Retirement entitlements

Senator Cash: I am assuming the President Ross also will have a similar entitlement when he retires. Or will he get more? I am not quite sure.

Senator CAMERON: I think you might be assuming wrongly.

Senator Cash: I think he will actually retire on more when he retires—one of your charges. In fact, we might actually do the maths. Maybe Senator Paterson might ask some questions on that later. Also Vice President Hatcher or Vice President Catanzariti: we could perhaps do the numbers on them as well.

Senator PATERSON: Maybe we will just get them all on notice.

Senator CAMERON: Yes.

Senator Cash: Why don't we just get them all on notice so we know what they are all going to retire on? But bearing in mind that it is what they are statutorily entitled to.

Answer

President of the Fair Work Commission

The President of the Fair Work Commission (Commission) is entitled to a judicial pension under the *Judges' Pensions Act 1968* (JP Act) unless he or she decides to remain in a public sector superannuation fund (see section 636 of the *Fair Work Act 2009* (FW Act)).

Commission Members who are entitled to a judicial pension (including the President) who have reached at least 60 years of age and have 10 or more years of services are entitled to a pension of 60% of salary (as adjusted from time to time by the Remuneration Tribunal).

The rate of pension is reduced if the Member has a superannuation surcharge debt.

The President's remuneration is equal to the annual rate of salary payable to the Chief Justice of the Federal Court of Australia plus travelling allowances as determined from time to time by the Remuneration Tribunal and any other prescribed allowances (see section 635 of the FW Act).

Presidential Members appointed under the *Workplace Relations Act 1996* or the *Industrial Relations Act 1988*

Vice Presidents, Senior Deputy Presidents and Deputy Presidents who were originally appointed to the Australian Industrial Relations Commission (AIRC) under the *Workplace Relations Act 1996* (WR Act) or the *Industrial Relations Act 1988* (IR Act) and who were subsequently appointed to the Commission are entitled to a judicial pension under the JP Act (see item 2, Schedule 18 to the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009* (TPCA Act)).

As set out above, the maximum judicial pension is 60% of salary (subject to any superannuation surcharge debt).

The salary of a Vice President, Senior Deputy President and Deputy President who was originally appointed to the AIRC is 103%, 100% and 95% respectively of the salary paid to a Judge of the Federal Court of Australia (see section 79 of the WR Act and item 2, Schedule 18 to the TPCA Act).

Commissioners appointed under the *Workplace Relations Act 1996* or the *Industrial Relations Act 1988*

Commissioners who were originally appointed to the AIRC under the WR Act or the IR Act and who were subsequently appointed to the Commission are not entitled to a judicial pension.

If a Commissioner belonged to the CSS or PSS public sector defined benefits superannuation fund prior to appointment, he or she may remain in that fund. Otherwise, the Commission makes contributions to a compliant superannuation accumulation fund of the Member's choice. The value of employer superannuation contributions is dependent upon the Member's superannuation scheme membership but is notionally 15.4% of salary.

The salary of a Commissioner who was originally appointed to the AIRC is 70% of the annual rate of salary payable to a Deputy President appointed to the AIRC (see section 81 of the WR Act and item 2, Schedule 18 to the TPCA Act).

Members (other than the President) appointed under the *Fair Work Act 2009*

All Members of the Commission appointed under the FW Act other than the President receive a total remuneration package (as determined from time to time by the Remuneration Tribunal) which includes employer superannuation contributions (see section 637 of the FW Act).

Members appointed under the FW Act are not entitled to a judicial pension.

If a Member belonged to the CSS or PSS public sector defined benefits superannuation fund prior to appointment, he or she may remain in that fund. Otherwise, the Commission will make contributions to a compliant superannuation accumulation fund of the Member's choice. The value of employer superannuation contributions is dependent upon the Member's superannuation scheme membership but is notionally 15.4% of salary.