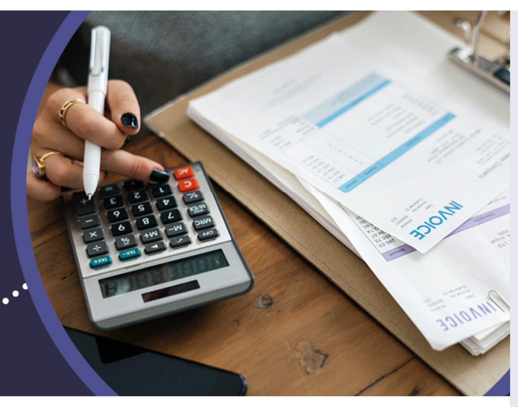
Australian Government
Commonwealth Superannuation Corporation



CSC Employer Newsletter: February 2022 edition

We're only in February, however it's full steam ahead and Christmas is starting to feel like a distant memory. There's a lot happening in 2022, so keep a close eye on our newsletters and email blasts to stay ahead of the game on everything super. If any of your colleagues would like to receive our newsletters, just flick them this link.

Some of the key focuses for the Employer Services team in 2022 are:

- Any additional changes to superannuation legislation
- Data and salary remediation
- Improvements to the employer website
- Digitalisation of some forms and applications
- Tailored member education and employer training(Including our Transition to Retirement and Life Journey programs)
- Providing an end-to-end experience for all employers
- The launch of our new employer survey, allowing CSC to understand what we do well, and not so well
- And much more…

Please also note that we recently sent an email blast out in relation to some upcoming regulatory changes. We have also included the information below.

The team and I are looking forward to working with you throughout the year. If you have any questions please reach out to us on 1300 338 240 or at employer.service@csc.gov.au

Peter Lewis
Senior Manager, Employer Services
Commonwealth Superannuation Corporation

Time to review your internal delegations

CSC delegates certain powers and functions to employers relating to superannuation salaries that impact CSS, PSS and PSSap, and CSS part-timers.

These powers fall under the Superannuation Act 1976, Superannuation (CSS) Salary Regulations 1978 and Superannuation (CSS) Approved Part-Time Employees Regulations pursuant to subsection 36(1) of the Governance of Australian Government Superannuation Schemes Act 2011 (GAGSS Act).

Each year these delegations are reviewed and updated as needed. We have recently updated the delegations instrument, to provide more clarity on accountable authorities for non-Commonwealth entities. You can view the delegations here.

So what do you need to do? Please review your internal delegations as per your current processes, to ensure they are up to date.

Important changes to CSS, PSS and PSSap Super Salary effective 1 March 2022

The Department of Finance have announced changes to the calculation of employer's superannuation obligations for CSS, PSS, and PSSap employees effective 1 March 2022. You should familiarise yourselves with the new regulations and apply them in your workplace as appropriate. Details of the changes can be accessed via this link.

Changes at a glance

- The Superannuation (CSS) Salary Amendment (Housing Allowance and Rent-free Housing) Regulations 2022 make changes to the super salary calculation within the Superannuation (CSS) Salary Regulations 1978 effective 1 March 2022. These changes to CSS super salary will also apply to super salary calculations for PSS and PSSap members. In the case of PSSap, the changes will only be relevant where your agency calculates super salary based on the Fortnightly Contribution Salary (FCS) method.
- These changes are being made to the treatment of housing allowance and rent-free housing, which will now specifically be excluded from the calculation of an affected employee's super salary on 1 March 2022.
- Any CSS, PSS or PSSap (FCS only) member who had a super salary that included housing allowance or rent-free housing before 1 March 2022 will be subject to salary maintenance requirements. This generally means that the member's super salary will be maintained for contributions and benefit purposes if their actual salary decreases because of these changes.
- This change isn't retrospective and will only affect super salaries calculated with an effective date on and from 1 March 2022. Previous super salaries calculated and reported to CSC should not be recalculated as a result of this change, this

only needs to be considered when calculating super salaries on or after 1 March 2022.

- Depending on the wording of your employment arrangements, if you pay contributions to choice funds, other than PSSap, based on FCS, the calculation of these contributions may also be affected by this change. You should consider these situations based on your agency's employment conditions, CSC isn't able to provide guidance on this.
- You should communicate with affected employees to inform them of these changes. Where appropriate please provide CSC with copies of the communication you send to your employees on this so that we're able to discuss this if the member contacts us.
- Any queries related to these changes should be directed to the Department of Finance by emailing superbranch@finance.gov.au

Meet the quiet achievers

You may not see much about us on the front page of newspapers. That's because CSC quietly working behind the scenes, focusing on only what matters to you. Here are some useful facts:

- We have been managing superannuation for 100 years[1]. We are a mid-sized, niche super fund, with A$60 billion assets, serving 700,000+ Australian public service and defence customers.
- As the first ever super fund in Australia, we've led the industry and established a global reputation with our focus and demonstrated follow through identifying and managing the short, medium and long-term risks to the sustainability of our customers' savings over the entirety of their work-life journey.
- To do this we have invested a century of experience into our investment governance and operating model so that we are able to continuously innovate, stay ahead of the curve, and build a leverage-able peer and agent network that is global. All of this means we are able to identify and robustly evaluate the best investment opportunities early, so that our customers can have confidence in the resilience and quality of the portfolios we build. This is essential to help customers achieve a secure financial position by retirement, regardless of when that is or under what market conditions.
- We're a very stable team of 18 internal investment professionals, with collective experience managing money in real time that spans over 300 years! The senior members of the team have been working together for more than a decade. By selecting and partnering with around 90 external specialist managers, we ensure that the best global team is working for you.

Just as your staff serve Australia steadfastly, the investment team at CSC is motivated and energised by our purpose to look after and grow your superannuation savings with integrity and deep capability. It is important to us that this capability is recognised independently, to ensure that you can have confidence that we do what we say we will do. Awards from the United Nations, AsianInvestor, the Responsible Asset Allocator Initiative and others recognise our unique combination of global best-practice governance and innovation.

- When we talk about 'governance' we're not referring to compliance. Our "Governance framework" is our operating model. It describes how we take decisions; the investment opportunity set over which we can invest in; the types and amount of risk we can and cannot take; the ways that we expect to generate returns; how we value markets; the catalysts that we monitor. Critically, we all have clear accountabilities for executing and monitoring our strategies across each detailed segment of the portfolio. This framework gives us the discipline and courage to identify, price, manage and exit risk with precision.
- Innovation doesn't mean we're chasing the latest fad, or fastest trending hashtag. Innovation is about nimble decision making to take advantage of the best 'value for money' opportunities and proactively prepare for emerging risks. It is about having the processes, controls and signals in place to allow us to confidently move into sectors, opportunities and assets early before others recognise their value.

Every CSC investment-team member is accountable for the performance of the entire fund, not just their corner of it. We are a team of risk managers, transparent in our responsibilities, our risk budgets, and our complementary capabilities. Together, we are accountable to you.

This combination of acute attention to- and accountability for detail, plus the well-controlled and transparent support required to be first into ideas means we maintain our competitive edge to access and steward high-quality assets for your portfolios. For further detail, please visit Our History of Innovation page.

[1] It all started with the 1922 Scheme, serving federal public servants – and, after several name changes and restructures, became the Commonwealth Superannuation Corporation in 2011. We are still loyally serving Australians today as we have done for a century.

Employer Training

March will see the return of live public employer training sessions. Please join us in the training sessions to help you understand and streamline your super obligations.
You can get to the registration page now by clicking here.
You can select a topic that you would like to learn more about, and register for a time that suits you. Each topic has details to understand what it will cover and the available sessions.
All sessions are delivered through MS Teams.

If you require individualized training or are unable to join these sessions, please click here, or reach out at employer.training@csc.gov.au and we would be delighted to assist you.

Provide your feedback to employer website

As mentioned above, we are looking to make improvements to the employer website.

As it was a reoccurring theme in the last CSC employer survey, one of the first improvements is to make the website easier to navigate and use.

Before we make any changes to the website we would love to hear from you, as we want to ensure it is built with your needs in mind.

Please follow this link to provide your feedback. The survey should only take 10 to 15 minutes of your time.

In the future we will be looking at creating online learning modules, pre-recorded videos, digital forms and other exciting changes.

Member education sessions

CSC's Member Education team will be running live public webinars throughout March, including sessions on how much is enough,retirement readiness, investments, as well as scheme sessions.

If you, or any of your staff are interested in learning how they you can manage and maximise their your superannuation, please register for one of our upcoming sessions by following the link and selecting the super scheme you are in Webinars and Seminars.

If March is looking a little too full and staff are unable to attend, don't worry, CSC will be running more live public webinars in May 2022.

Mercer

Commonwealth Superannuation Corporation

You're invited to trial Care & Living with Mercer (CaLM)

Care & Living with Mercer (CaLM)*

We've heard that many of our customers juggle elder caregiving responsibilities with work, and this can impact all areas of life, including their super. That's why we're excited to offer Care and Living with Mercer (CaLM)*, a new partnership between CSC and Mercer. CaLM is a service to help people understand, navigate and plan ageing care and living needs for their loved ones or even themselves.

There's a great opportunity to hear from the CaLM team, and ask any questions you may have at one of our CaLM information sessions (via Zoom) on:

- Tuesday 1st March 11am-12pm OR
- Wednesday 23rd March 11am-12pm.

You can register for either of these sessions, or find out more information on our website at Care & Living with Mercer.

Please share the link with anyone you believe may benefit from the Care & Living with Mercer Pilot and may be interested in attending an Information Session.

*CaLM is provided by Mercer (Australia) Pty Ltd ABN 32 005 315 917 (Mercer). CSC does not take any responsibility for the services provided, or guarantee the performance of CaLM or any third parties products or services offered by the CaLM website. All information, sources and services provided in CaLM are managed by Mercer and outside the control of CSC. Please refer to the bottom of the Mercer webpage for the complete disclaimer related to CaLM.

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General Advice

Commonwealth Superannuation Corporation (CSC) ABN: 48 882 817 243 AFSL: 238069 RSEL: L0001397
Trustee of Commonwealth Superannuation Scheme (CSS)ABN: 19 415 776 361 RSE: R1004649
Military Superannuation and Benefits Scheme (MilitarySuper) ABN: 50 925 523 120 RSE: R1000306
Public Sector Superannuation Scheme (PSS) ABN: 74 172 177 893 RSE: R1004595
Public Sector Superannuation Accumulation Plan (PSSap) ABN: 65 127 917 725 RSE: R1004601
Defence Force Retirement and Death Benefits Scheme (DFRDB Scheme) ABN 39 798 362 763
ADF Super ABN: 90 302 247 344 RSE: R1077063