Fact Sheet – MFB
Defined Benefit Scheme Legislation Changes 2019

MFB Defined Benefit Fund members:

As an MFB Defined Benefit member you now have even more ways to maximise your retirement benefits, with the introduction of The Superannuation Legislation Amendment Act 2019.

Effective from 23/10/2019, this act introduces the following changes to the Emergency Services Defined Benefit Fund. Where the changes have retrospective application it has been specified.

If you've reached your maximum multiple – you will now receive additional Employer Contributions to be paid into the ESSSuper Accumulation Plan.

These contributions will be back dated to 1 July 2019, or the date you obtained your maximum benefit multiple if after 1 July 2019. They will commence at a rate of 3% of your salary and will increase to 12% by 2026/27 financial year.

Higher superable salaries will be maintained – if your salary is reduced on or after 1 July 2019 for any reason, your higher superable salary will be automatically maintained, unless you elect otherwise. Contributions are still payable on the superable salary that has been maintained.

Contributions will be calculated on a fixed superable salary – as at 1 July each year, your superable salary will be used to calculate the contributions payable for the 12 months commencing 1 September each year. Contribution amounts payable from 1 September 2019 and will be based on your superable salary at 1 July 2019 and will be fixed for the following 12 months unless you change your contribution rate or time fraction.

New option for Transition to Retirement – Defined Benefit members of preservation age can now access part of their Defined Benefit entitlement to commence a Transition to Retirement pension.

An eligible member may transfer between 20% and 50% of their Defined Benefit entitlement to an ESSSuper Working Income Stream. If you elect this option, your accrued multiple will be reduced to reflect the amount transferred to the Working Income Stream.

The Working Income Stream will enable eligible members to transition to retirement by supplementing their salary with regular pension payments as they move into part-time work.

New changes for members on unpaid parental leave – members on unpaid parental leave will now be able to elect a contribution rate for up to 12 months with payment deferred until they return to work.

On return to work ESSSuper will contact you to make arrangements for any outstanding payment accrued while on leave. These payment options include lump-sum payments or additional regular deductions from your pay.

Previously members on unpaid parental leave were deemed to be nil contributors for the first 12 months.

New contribution rates – there are now two additional catch up rates for operational DB members of 9% and 10%.

Where a member's average contribution rate is less than 7% over their total period of membership, they will now have access to two additional catch-up rates. This will allow members benefits to accrue at a faster rate.

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For a limited time eligible members may request to have the higher rates apply from 1 July 2019. If backdated, members will be liable for contribution arrears.

If you'd like to take advantage to any of the new changes and discuss the options available to you, please contact our Member Service Centre on 1300 650 161.