

s22(1)(a)(ii)

Subject: CSC and AFP meeting to discuss allowances [SEC=UNCLASSIFIED]
Location: 7 London Circuit, Canberra

Start: Mon 25/06/2018 2:30 PM
End: Mon 25/06/2018 3:30 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: s47E(c)

Required Attendees: s47E(c) s47F s47E(c)
s47E(c)

UNCLASSIFIED

Good afternoon all,

This is the initial meeting to discuss AFP allowances and inclusion into superable salary.

s47F our people I've invited so far are HR rep s47E(c) CFO and Legal Rep. Our external lawyers which have been providing us with some legal opinions may also be in attendance.

Let me know if there are any problems.

Thanks,

s47E(c)
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s22(1)(a)(ii)

From: s47E(c)
Sent: Friday, 13 July 2018 3:58 PM
To: s47F
Subject: RE: Commonwealth Superannuation Corporation and the Australian Federal Police [SEC=UNCLASSIFIED]

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Thanks for sending this through s47F Our summary agrees to yours.

Sorry I hadn't responded. I've been flat out with EOFY but will be returning to normal shortly.

In relation to the data set templates when do you expect that we can receive this? We are also still waiting on some final legal advice before I can start any planning of resolutions.

Kind regards,

s47E(c)

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From: s47F@csc.gov.au
Sent: Wednesday, 4 July 2018 10:10 AM
To: s47E(c)
Subject: Commonwealth Superannuation Corporation and the Australian Federal Police

Good Morning s47E(c)

It was good to meet s47E(c) yourself and your team last week.

During our meeting we discussed the following:-

Superannuation Issue

It has been recently discovered there has been a major issue with Allowances, both HDA and others. There is approx. 3000 employees who have been affected over the last 11 years.

EAs have changed and some of these allowances have been withdrawn or changed as well.

Superannuation Salaries have been incorrect and there is an underpayment expected for all impacted members

CSC explained there are a number of other agencies who are currently in the similar position.

Correction Process

We discussed what's involved and s47F mentioned we will have a process summary and data set format developed by next week, which we can provide the AFP. They are very interested in this as they are looking for assistance in this process.

s47F explained depending on the work involved, CSC will have to resource a team dedicated to receiving the DATA set from the AFP and we will work through the Data. It will be best to work through each group data set, and CSC will advise the members once appropriate adjustments have been completed. AFP advised this could be provided in sets such as current employees, employees who have left, employees who have joined another dept and members who have passed away.

Impacts to members

Additional member impacts for the AFP to consider could be:

- those who will claim lost earnings against the money they would have been paid through their pension account
- Those who will have tax implications
- Those who will have contribution implications with variables for DB and DC clients
- Those members who have had a family law split (I am not sure whether I mentioned this during the meeting however have certainly got this issue with other similar agencies)

Communication to Staff

It was stated that it is up to the AFP to provide initial communications and contact points to their affected staff. They have met with their MEDIA Dept already to plan how this will be communicated internally.

The AFP also asked questions about Members who have moved to other organisations and how this would affect them. It was explained that they would be affected and CSC may have contact details which could be shared with the AFP if the member provides consent.

Types of Employees affected

There will be 4 types of AFP employees who are members of DB and DC Schemes who have been affected :-

- AFP employees who are still working with the department
- AFP Employees who have retired
- AFP who have passed away
- AFP employees who have left the department.

Costs to AFP

The AFP also asked about whether there will be a lost interest charge and the answer was yes. Costs, inclusive of lost interest or lost market earnings will be borne by the AFP.

There may also be employee contributions which were not paid by the member at the time and it needs to be determined how these will be settled (either the AFP tops this in a lump or the member having to make them up themselves).

Additional costs may also be incurred to enable CSC to manage this additional workload.

Definition of Legislation

s47F asked about the assistance in understanding their allowances and the CSC legislation. s47F stated that we do not interpret the allowances of varied agencies and this is the AFPs responsibility to understand what of their allowances are eligible for Super purposes.

ACTIONS

CSC will provide a process summary to the AFP

CSC will provide a data format to the AFP

AFP will provide DATA Set for the affected members

AFP will provide Allowances information

AFP will supply CSC with draft correspondence prior to it being sent to impacted members

AFP will supply CSC any members with unknown contact details – CSC will attempt to make contact and refer the member to the AFP for initial discussions

Further communication will be conducted with s47E(c) and Myself.

If there is any additional information missing, please feel free to advise.

Kind Regards

s47F

**Employer Relationship Manager
Member and Employer Services**

s47F

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**Commonwealth
Superannuation
Corporation**

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