

NSW FIRE BRIGADES SUPERANNUATION PTY LIMITED

ABN (71 108 677 854)

31 January 2020

[REDACTED]
Acting General Manager, Policy Development
Australian Prudential Regulation Authority
GPO Box 9836
SYDNEY NSW 2001

By email only: superannuation.policy@apra.gov.au

RE: Consultation on draft changes to SPS 520

[REDACTED]
I refer to the drafted update to SPS 520 and provide feedback on this proposed standard on behalf of the trustee of the Crown Employees (NSW Fire Brigades Firefighting Staff Death and Disability) Superannuation Fund (the Fund).

Background

By way of background, the Fund provides insured death and disability benefits to firefighting staff of Fire Rescue NSW as defined in the Crown Employees (Fire & Rescue NSW Firefighting Staff Death and Disability) Award 2017. This Award defines the Death and Total and Permanent Incapacity (TPI) benefits provided by the Fund as well as Partial and Permanent Incapacity benefits and health and fitness requirements provided by Fire & Rescue NSW (FRNSW). The Award effectively defines the relevant contributions and benefits and was established on the basis that the employer funds benefits for work related illness/injury. The Award does not make any provision for members to opt out of insurance cover as an intention of the Award was to provide benefits in the event of the death or termination of employment of permanently incapacitated firefighters.

Member account balances are maintained at \$0 as all contributions are used for insurance cover and expenses with the shortfall made up by contributions from FRNSW. This arrangement is supported by a Deed of Guarantee with the State of NSW.

Feedback on proposed changes

We note that the proposed paragraph 12 (f) would require the insurance management framework to include “a process that enables beneficiaries to easily opt-out of insurance

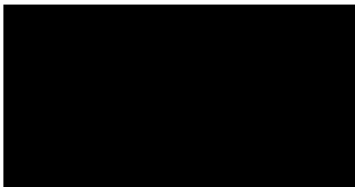
cover". As the Fund does not have an option for members to opt out of cover we would not be able to comply and would need to seek approval for an exclusion under paragraph 31.

Recent legislation such as the Protecting Your Superannuation measures provides specific exemptions for circumstances such as defined benefit members, however such exemptions are not included in the drafted prudential standard.

We recognise that this Fund is not a typical type of superannuation fund however we provide this feedback as we do not want to be in a position where we cannot comply with the new standard.



Yours sincerely



Secretary