

# **Service Level Agreement**

**Between the Defence Organisation,  
the Military Superannuation and Benefits Board,  
the Defence Force Retirement and Death Benefits Authority  
and Commonwealth Superannuation Administration  
(ComSuper)**

**2011-13**

Version 1.0

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## **Commencement Date**

This Agreement is effective from 1 July 2011.

## **Preamble**

This Agreement covers arrangements between the Defence Organisation (comprising the Department of Defence and the Australian Defence Force, referred to as Defence in this Agreement), the Military Superannuation and Benefits Board, the Defence Force Retirement and Death Benefits Authority, and Commonwealth Superannuation Administration (ComSuper).

Capitalised words or terms are defined in Attachment 1.

## **Term**

The term of this Agreement commences on the Commencement Date and continues for an initial term of two (2) years from the Commencement Date.

The merger of the boards of the Australian Reward Investment Alliance (ARIA), the Military Superannuation and Benefits Scheme and the Defence Force Retirement and Death Benefits (DFRDB) Authority was announced by Government on 31 October 2008. Originally due to take effect 1 July 2010, the merger is now expected to take effect on 1 July 2011.

This Agreement may be terminated with effect any time on or after 1 July 2011 subject to the requirements of the new Board.

The Parties may agree to extend the initial term for a further period of two (2) years by mutual agreement before the expiry of the initial term.

Where the Parties agree to extend the term of this Agreement, this may be done on the same terms and conditions or on revised terms and conditions as agreed.

## **Variations to this Agreement**

The Agreement can be varied at any time by the written consent of all the Parties to this Agreement. The Schedules can be varied by agreement of the particular Parties to that Schedule. A copy of any amended Schedule is to be forwarded to each of the Relationship Managers without delay.

Should services, costs or member numbers materially change during the term of this Agreement, it may be a trigger for the Parties to vary the Service Level Agreement. This will be agreed by all parties and signed off separately to this Agreement.

This Agreement can be varied to meet the requirements of the new Board from 1 July 2011 by the written consent of all Parties to this Agreement.

## **Statement of Intent**

This Agreement reflects the desire of the Parties to commit to writing a shared understanding of the commitments that each is providing to the other Parties to the Agreement. The Agreement provides for matters and services which would otherwise be reflected in a commercial contract if the Parties were able to contract with each other freely and on a fully commercial basis.

The Agreement sets out the Services and Standards (where applicable) in the Schedules.

The form of future Service Level Agreements will, as far as practical at law and consistent with Government policy, reflect a greater alignment between the responsibilities, accountabilities and funding arrangements between the Parties.

## **Roles and Provision of Services**

All Parties will perform the Roles and provide the Services in accordance with the following guiding principles:

- conduct themselves in a manner consistent with the highest standards of probity and integrity in accordance with the *Public Service Act 1999*, and guidelines on official conduct or standards reflected in the MSB Board's code of conduct as applicable to the Parties;
- openly communicate with other Parties to the Agreement, having respect and regard to each Party's individual responsibilities;
- consult with the other Parties having respect and regard to each Party's individual responsibilities; and
- have regard to and consult appropriately about administrative and policy implications during policy and process development that impact other Parties to the Agreement.

## **Compliance with Relevant Law**

Each Party will exercise due care and diligence to ensure that the Services it provides under this Agreement will not prejudice the status of the Fund as a "complying superannuation fund" for the purposes of the relevant legislation and the status of the MSB Board as a Registrable Superannuation Entity or Australian Financial Services Licence Licensee.

Each Party will ensure that it complies with the Relevant Law to the extent that it directly concerns the functions (including systems and procedures), powers and duties of each Party, in relation to the performance of their Roles or provision by them of their Services.

Each Party may act on specific instructions given by another Party to the Agreement but will not comply with any direction which it is aware will cause a breach of any obligations referred to in the previous paragraph.

Each Party has an obligation to report breaches by them of the Relevant Law to the other Parties as per the Schedules.

Should any Party become aware of an incident, breach of the Relevant Law, a significant adverse event or material circumstance which either affects the administration of the Fund or else that the MSB Board may be required to report to a Responsible Authority, that Party is to promptly advise the MSB Board of such event or circumstance with sufficient particulars so that the MSB Board can appropriately report to a Responsible Authority.

## **Relationship Manager**

The persons occupying the following positions will manage the overall relationship in accordance with this Agreement:

- MSB Board: Chief Executive Officer, MSB Board;
- Defence: Director Superannuation Policy;
- ComSuper: Chief Operations Officer, Military Schemes and Pensions; and
- DFRDB: Commissioner for Superannuation and Chairman, DFRDB Authority.

## **Service Standards**

The standards to be met by the Parties in providing the Services are set out in the Schedules.

## **Funding**

The Parties acknowledge that funding for the Schemes is provided from various sources:

- Investment expenses relating to the management and investment of the MSB Fund can only be levied against the MSB Fund as per the MSB Trust Deed and Rules;
- Expenses relating to the administration of the Schemes and the MSB Board's operational expenditure are met from monies appropriated by Defence;
- Defence will provide for the agreed costs of the administration by ComSuper of the Schemes including the MSB Board's own administration costs (as per Schedule 7);
- Until such time (or if) discrete funding arrangements can be made by Defence for administration expenses relating to the MSB Board's non-investment activities, such funds are to be drawn by ComSuper from the administration fees paid by Defence (as per Schedule 7), and maintained separately from ComSuper's own operating Budget. These funds may only be used to meet the MSB Board's administrative expenditure in a manner determined by the MSB Board. If no changes to the funding arrangements are made existing arrangements will remain; and
- Funding for Optional Administration Services will be negotiated between the Parties and take into account the longer lead time of budget funded agencies.

## **Policy Protocol**

Defence will consult with the MSB Board, the DFRDB Authority and ComSuper before implementing proposed policy changes to the Schemes which are likely to have administrative implications for the MSB Board, the DFRDB Authority or ComSuper. ComSuper, the MSB Board and the DFRDB Authority may put suggestions to the Department of Defence for policy changes in relation to the Schemes.

ComSuper will consult with Defence, the MSB Board and the DFRDB Authority before implementing any changes to the way it administers the Schemes which will involve or impact on Defence or MSBS and DFRDB members.

## **Operating Protocol**

The parties acknowledge and agree that an Operating Protocol will govern the day to day interaction between the MSB Board and ComSuper. The protocol will cover, inter alia, agreed deadlines for routine operating and financial reporting requirements, including board agenda, minutes, papers, administrator reports and other regular information and service delivery requirements agreed between the parties.

The Operating Protocol will be reviewed at least every six months or more frequently by mutual agreement as circumstances require. The protocol is to be read in conjunction with this SLA, however, in the event that there is an inconsistency between the provisions of the protocol and the SLA, the provisions of the SLA prevail.

## **Funding Protocol**

Any Party considering a decision which, as a consequence, would increase costs under this Agreement, will consult with Defence prior to that decision being made.

## **Legal Policy**

All Parties may obtain separate legal advice on the administration of a matter relating to the operation of the Schemes. However, if the matter relates to the application of the MSB Trust Deed and Rules, policy or new legislation, then all Parties must consult with the other Parties prior to obtaining such advice. If one Party seeks legal advice it is to be copied to all Parties.

## **Liability and Indemnity**

Each Party agrees to accept responsibility for their own acts and the acts of their employees, to the extent required by law. The parties acknowledge that under the MSB Act, the acts of the Commissioner for Superannuation and his staff done in the name of, or on behalf of, the MSB Board are deemed to be acts of the MSB Board.

In 2005 the then Minister for Finance and Administration provided authorisation under Regulation 10 of the Financial Management and Accountability Regulations 1997 for a guarantee to the MSB Board from the Commonwealth, to cover any losses the MSB Fund may suffer as a result of liabilities arising from the actions of the Commissioner for Superannuation, and the staff of ComSuper who assist the Commissioner in administering the MSB Fund. This guarantee will be superseded by the indemnity provisions contained in section 35 of the Governance of Australian Government Superannuation Schemes Act 2011 which will come into effect on 1 July 2011.

## **Fraud Control and Disaster Recovery**

All Parties will have in place and maintain during the period of this Agreement, a Business Continuity Plan (including a Disaster Recovery Plan and Pandemic Contingency Plan) and a Fraud Control Plan and will make them available to the other Parties upon request. The Business Continuity Plan will at all times address the back up of data and software.

## **Ownership of Member Data and Administration Processes**

For the avoidance of doubt, each party acknowledges that the ownership of member data resides with the MSB Board or DFRDB Authority.

Ownership of any intellectual property in the computer systems, procedures and processes (including any internally developed knowledge base) used by ComSuper to administer the Schemes resides with ComSuper.

## **Management and Exchange Information**

The Parties shall not disclose to any person any information or material acquired or produced in connection with this Agreement (including the Agreement itself) without the prior approval of each of the other Parties. Exceptions are where disclosure is required by law, information or material is in the public domain, or a Party is required to meet their Parliamentary reporting obligations.

Information relating to the specific operations of ComSuper, members or other detail may only be supplied between the Parties that do not override or contradict existing law and with the expressed permission from the MSB Board, Department of Defence or the DFRDB Authority.

Where a party received confidential information it must only use the confidential information for the purposes of this Agreement and keep such information private and secure and must not disclose that information to a third party (other than as required by law to professional advisers, auditors, regulators and the like) without the prior written consent of the provider of that confidential information.

## **Access and Audit**

ComSuper must, where a request is made by the MSB Board, the DFRDB Authority or a Regulator, provide documents or information relating to the administration of the Schemes to the MSB Board, the DFRDB Authority or a Regulator, and provide the MSB Board, the DFRDB Authority or Regulator with access to ComSuper's premises to facilitate a review of such documents or information (this would also pertain to requests received by a delegate of the MSB Board, the DFRDB Authority or Regulator including both internal and external auditors). The request must be in writing and specify a time and place for the provision of information and documents that is reasonable in the circumstances, and in respect of access, be at a time that is reasonable in the circumstances.

ComSuper must, when requested by either the MSB Board, the DFRDB Authority or a Regulator, undergo an independent audit of its administration of the Schemes. The time within which the audit must be conducted must be specified in the request and must be reasonable in the circumstances. The costs of any MSB Board or DFRDB Authority initiated audit will be funded by the initiating party.

The foregoing right of access for the MSB Board, the DFRDB Authority or a Regulator will be subject at all times to ComSuper's reasonable security requirements.

## **Dispute Resolution**

The parties must promptly use their best endeavours and reasonable efforts to resolve any dispute, disagreement or material difference of opinion arising out of, in connection with, or relating to this Agreement.

Each Party shall continue to perform its obligations under the Agreement notwithstanding the existence of such a problem.

If the Parties are unable to resolve the dispute by negotiation amongst themselves, the Parties must refer the dispute to arbitration. Unless the Parties agree on an arbitrator, either party may refer the unresolved dispute to the President of the Institute of Arbitrators and Mediators Australia (ACT) for determination in accordance with that organisation's rules for the conduct of commercial arbitrations, and:

- it will be a term of the referral to the Arbitrator that a determination will be delivered within twenty (20) Days of the matter being referred to the Arbitrator;
- no legal action may be commenced by any Party after referral of any dispute to the Arbitrator in relation to the matter referred until the Arbitrator has delivered its determination in writing;
- the Arbitrator's costs will be shared equally by the Parties who will otherwise bear their own costs of and incidental to the Arbitration; and
- any determination by the Arbitrator will be binding upon the Parties.

## **Sub-Contracting**

In providing the Services under this Agreement, ComSuper may appoint agents and sub-contractors to perform specific tasks and services. ComSuper will not appoint any agents or sub-contractors to perform specific major tasks or services without the prior



knowledge and consent of the MSB Board (where such consent is not to be unreasonably withheld).

ComSuper agrees to make it a term of the engagement of such agents or sub-contractors that these parties in carrying out their duties will exercise all due care, skill and diligence and are obliged not to disclose confidential information and are obliged to comply with the Relevant Law as applicable to that engagement to the same extent as required of ComSuper.

For the avoidance of doubt, the requirement to obtain the MSB Board's consent does not extend to such activities as IT infrastructure, telecommunications, bureaux services, printing, mailing delivery or similar services or activities.

## **Monitoring Assessment and Reporting**

Service levels, monitoring, assessment procedures and reporting are as documented in the Schedules to this Agreement.

## **Conflict**

Where ComSuper believes there is a potential or actual conflict between the duties and obligations ComSuper owes to the MSB Board under this Agreement and the interests of ComSuper, ComSuper must promptly disclose the particulars of the potential or actual conflict to the MSB Board in writing as soon as possible.

## **Termination**

Under the current arrangements ComSuper is under a statutory obligation to provide Administration Services to the MSB Board and DFRDB Authority. If this obligation should change, the Parties to this Agreement agree that a review of this Agreement shall take place within a reasonable period to ascertain whether the Parties agree to maintain the Agreement.

In the event that the Parties determine that the Agreement be terminated or not renewed, the Parties agree to produce a comprehensive Transition Plan in order to transfer the Administration Services and obligations of ComSuper to another service provider in accordance with accepted industry good practice and standards. The Parties must comply with the Transition Plan so that the new fund administrator can commence its mandate as soon as possible.

The Transition Plan must include a project plan with an agreed timetable of events and milestones for deliverables and the provision of sample or test data, data formats and the final electronic copy of all relevant and required member records and other Scheme data.

In the event that the Parties agree to the termination or non-renewal of this Agreement ComSuper's obligations under this Agreement continue until the MSB Board is satisfied as to the completion of the transfer of the Services to another administrator pursuant to the Transition Plan having been properly and accurately effected.

Notwithstanding the date of an agreed transition, ComSuper remain responsible for all work relating to the period up to the transition date which may include the production and delivery of member statements, annual or mid-year reports and Fund accounting.

## **Requests or Instructions**

Where requests or instructions are referred to within the document they must be in writing and may be delivered by prepaid postage, hand, facsimile transmission or email to the person and address specified by a Party to the other Parties.

## **Risk Mitigation Program**

ComSuper will continue with its best endeavours for ongoing practical amelioration activities within its “business as usual” service delivery to the MSB Board.

## Signature Page

Brian Paule  
Director General Personnel Policy  
and Employment Conditions  
Department of Defence

Michael Seton  
Chief Executive Officer  
  
Military Superannuation and Benefits  
Board

Peter Cormack  
Chief Executive Officer, ComSuper,  
Commissioner for Superannuation and  
Chairman, DFRDB Authority

## Attachment 1 – Definitions

“Actuary”	means the actuarial firms nominated by the MSB Board, the DFRDB Authority and Defence
“Acts”	means <i>Military Superannuation and Benefits Act 1991, Defence Forces Retirement Benefits Act 1948, Defence Act 1903, and Defence Force Retirement and Death Benefits Act 1973</i>
“Administration Services”	means any services ComSuper is required to provide as per Schedules 8 and 9 other than Optional Administration Services
“Agreement”	means this agreement, including any Schedules or appendices or attachments thereto
“AFS”	means Australian Financial Services
“ANAO”	means Australian National Audit Office
“APRA”	means Australian Prudential Regulation Authority
AUSTRAC	means Australian Transaction Reports and Analysis Centre
“Committees”	means the Committee of Alternates, Reconsideration Committee (RC), Incapacity Classification Committee (ICC), Military Superannuation Communications Committee (MSCC) and the Audit and Risk Management Committee established under the Schemes
“Commissioner for Superannuation”	means the Commissioner established under the <i>Superannuation Act 1976</i>
“ComSuper”	means Commonwealth Superannuation Administration, an agency within the Department of Finance and Deregulation portfolio
“Days”	means business days
“Defence”	means the Department of Defence and the Australian Defence Force
“DFRB Act”	means the <i>Defence Forces Retirement Benefits Act 1948</i>
“DFRDB Act”	means the <i>Defence Force Retirement and Death Benefits Act 1973</i> and includes regulations
“DFRDB Authority”	means the Authority established under the <i>Defence Force Retirement and Death Benefits Act 1973</i> and secretariat
“DFRDB Scheme”	means the superannuation scheme established under the <i>Defence Force Retirement and Death Benefits Act 1973</i>
“DFRB Scheme”	means the superannuation scheme established under the <i>Defence Forces Retirement Benefits Act 1948</i>

“Employer-sponsor”	<p>means, in relation to a regulated superannuation fund, an employer who:</p> <ul style="list-style-type: none"> <li>a) contributes to the fund; or</li> <li>b) would, apart from a temporary cessation of contributions, contribute to the fund;</li> </ul> <p>for the benefit of a member of the fund who is an employee of:</p> <ul style="list-style-type: none"> <li>i the employer; or</li> <li>ii an associate of the employer; or</li> <li>iii the dependants of such a member in the event of the death of the member.</li> </ul>
“Fund”	means the MSB Fund
“Minister”	means the Minister for Defence, Science and Personnel or the Minister for Finance and Deregulation
“MSB Act”	means the <i>Military Superannuation and Benefits Act 1991</i> and includes the Trust Deed, Rules and Determinations
“MSB Board”	means the MSB Board of Trustees responsible for the general administration of the <i>MSB Act</i> and includes the Management staff who support the MSB Board
“MSB Fund”	means the fund established under the <i>Military Superannuation and Benefits Act 1991</i>
“MSB Fund Account”	means the relevant bank account maintained by ComSuper on behalf of the MSB Board
“MSB Scheme” or MSBS	means the superannuation scheme established under the <i>Military Superannuation and Benefits Act 1991</i>
“MSCC”	means the Military Superannuation Communication Committee
“Operating Protocol”	means the document agreed between ComSuper and the MSB Board containing the protocols governing the day to day interaction between the parties including, but not limited to, the provision of reporting, service delivery and deadlines for meetings and the provision of information.
“Optional Administration Services”	means any Administration Services that are described in Schedules 8 and 9 as Optional Administration Services
“Party” or “Parties”	means each organisation identified in the preamble to this Agreement
“Relationship Manager”	means the positions identified under the heading of the same name on page 5 of this Agreement
“Relevant Law”	means any relevant requirement of the <i>Superannuation Industry (Supervision) Act 1993</i> , the <i>Corporations Act 2001</i> , the <i>Australian Securities and Investments Commission Act 2001</i> , the <i>Financial Management and Accountability Act 1997</i> , <i>Freedom of Information Act 1982</i> , <i>Privacy Act 1988</i> and any other present or future law of the Commonwealth of Australia or any State or Territory with which a Party must comply
“Regulator”	means the Australian Prudential Regulation Authority (APRA), the Australian Investments and Securities Commission (ASIC), the

Australian Taxation Office (ATO) and the Australian Transaction Reports and Analysis Centre (AUSTRAC)

- “Roles” means the role of the Parties as set out in Schedule 1
- “Schedule” means a schedule (so named) to this Agreement
- “Schemes” means the MSB Scheme, the DFRDB Scheme and the DFRB Scheme established under the Acts or any successor schemes
- “Services” means the services and tasks described in Schedules 2, 3, 4, 5, 6, 8 and 9
- “SLA” means this Agreement

## **Schedules to the Agreement**

Schedule 1: Role of each Party

Schedule 2: Defence and MSB Board

Schedule 3: Defence and DFRDB Authority

Schedule 4: Defence and ComSuper

Schedule 5: ComSuper and MSB Board

Schedule 6: ComSuper and DFRDB Authority

Schedule 7: Agreed Funding Arrangements

Schedule 8: MSB Statement of Services and Standards

Schedule 9: DFRDB Statement of Services and Standards

Schedule 10: ComSuper Overall Performance Measure—Method of Calculation

Schedule 11: MSB Board Performance Assessment of ComSuper

Schedule 12: Funding Arrangements Diagram

# Schedule 1: Role of each Party

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This Schedule describes the Role of each Party.

## Minister

- Is ultimately responsible for policy development for the Schemes.
- Can be approached directly by any of the Parties, but each Party must provide notice to Defence of any proposed discussion.

## Defence

- Is the employer-sponsor for the Schemes.
- Will provide superannuation policy advice to all Parties and to the Minister, in respect of the Schemes.
- Will develop superannuation policy in consultation with the Parties and arrange for amendments to the Acts.
- Is responsible for rule changes relating to the MSB Scheme but must seek the MSB Board's agreement (except in limited circumstances set out in the MSB Act) and consult with ComSuper on impacts to administration.
- Is responsible for Orders and Regulations for the DFRDB and DFRB Schemes.
- Is responsible for productivity determinations under the *Defence Act 1903*.
- Will fund the agreed administration costs of the Schemes as per Schedule 7.
- Will work with the MSB Board and DFRDB Authority in consultation with ComSuper to quantify Services to be delivered and funding to be provided.
- Will recommend and manage appointments to the MSB Board and DFRDB Authority and advise the MSB Board and DFRDB Authority on appointments to Committees.
- Will pursue policy outcomes aimed at ensuring member entitlements remain relevant in the context of the Government's retirement incomes policy.
- Will provide Services as documented in the Schedules.

## MSB Board

- Is responsible for the administration of the MSB Scheme, which is a regulated superannuation scheme, and the management and investment of the MSB Fund.
- Is responsible for the administration of the MSB Act, accountability and governance of the MSB Scheme and Fund.
- May provide advice to the Minister on superannuation policy issues impacting administration of the MSB Scheme.
- Will sign off any MSB Act changes and as appropriate provide advice on those changes to the Minister.
- Will provide Services as documented in the Schedules to this Agreement.
- Will report on compliance and governance issues impacting on the scheme.



## **DFRDB Authority**

- Is responsible for administering the DFRDB Scheme which is an exempt public sector superannuation scheme.
- May provide advice to the Minister on superannuation policy issues impacting administration of the DFRDB Scheme.
- Will provide Services as documented in the Schedules to this Agreement.
- Will sign off any DFRDB Act changes and provide appropriate advice on those changes to the Department of Defence.

## **ComSuper**

- Is responsible for the provision of Administration Services to the MSB Board and DFRDB Authority in the performance of their functions.
- Will invoice Defence for the cost of the Administration Services provided to the Schemes as per Schedule 7.
- Will act in accordance with any administrative policies determined and any lawful directions given by the MSB Board or DFRDB Authority.
- Will maintain its administration and computer systems for the most effective operation of the Scheme, to ensure compliance with the relevant laws.
- Will keep and maintain all required and necessary records in a form that is readily capable of being audited in an efficient and effective manner.
- Will advise the Parties if any matters arise which may hinder the effectiveness of the administration of its duties to the Schemes.
- Will report in a timely and informative manner to the Parties on compliance and governance issues impacting on the administration of the MSB and DFRDB Schemes.
- Will provide Services as documented in the Schedules to this Agreement.
- Will perform services in accordance with maintaining the licensing obligations of the MSB Board.
- Will perform its services in a way that supports and preserves Defence's reputation as the employer.
- Will provide advice to the Minister in respect of the administration of the Schemes.

# **Schedule 2: Defence and MSB Board**

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## **Funding**

Defence agrees to:

- provide for the agreed costs for the administration of the MSB Scheme to ComSuper in consultation with the MSB Board, the Defence Budget and Forward Estimates as indicated in Schedule 7; and
- work with the MSB Board to explore options available for a greater degree of financial autonomy and accountability for MSB Board costs (other than those which might reasonably be seen to be directly related to or incidental to the management and investment of the Fund).

The MSB Board agrees to provide Defence with details of expenditure of funds provided under the Service Level Agreement, if required.

## **Reporting Responsibilities to the Minister**

Defence agrees to prepare briefing material and advice on superannuation policy matters, responses to questions on notice and public statements concerning the MSB Scheme and provide such material to the Minister after any necessary consultation where appropriate.

## **MSB Board Appointments and Committees**

Defence agrees to:

- make recommendations to the Minister in relation to proposed MSB Board appointments in consultation with the MSB Board and the MSB Board's criteria;
- prepare the instruments of appointment in relation to MSB Board members for the Minister's approval; and
- provide appropriate staff to be members of any Committee attached to the MSB Board.

## **Policy**

Defence may make recommendations on changes to the MSB Act and Trust Deed, in consultation with the MSB Board and ComSuper, where appropriate.

Defence agrees to co-ordinate, with responsible drafting agencies, the preparation of the instruments on the agreed recommendations of changes to the MSB Act and Trust Deed for the Minister's approval.

Defence is to be advised of any complaints handled under Schedule 5 that may require policy action as soon as this is apparent.

The MSB Board may make recommendations and give advice on policy developments.

The MSB Board agrees to facilitate meetings with Defence and ComSuper on policy, legislative and rule changes, as and when these are required.

## **Disaster Recovery**

In the event that the premises rented by the MSB Board for its secretariat operations are unexpectedly unavailable for the conduct of its normal operations for a prolonged period, Defence will use its best endeavours to identify suitable temporary office accommodation within a Defence site in the ACT.

Occupancy of such temporary accommodation by the MSB Board will be subject to Defence's usual security procedures, protocols and requirements.

## **Communications**

Defence agrees to:

- support the Military Superannuation Communications Committee and the MSB Board in the development of the Board's communications strategy and any relevant communications plans;
- provide input and clearance for drafts of communication material and documents, such as the Annual Report to Members and the Annual Report to Parliament, at the request of the MSB Board; and
- distribute to new MSB Scheme members a New Starter Kit as soon as practically possible after the new member has commenced employment with the ADF, communicate with members by facilitating and supporting access to members for the purposes of resettlement seminars for discharging members, help members to understand their superannuation obligations and entitlements by communicating with them through service newspapers, Departmental circulars and the Defence intranet or other equivalent media.

The MSB Board agrees to:

- distribute papers prepared by Defence for consideration of the MSB Board;
- guide developments of the communications strategy and related material;
- with the assistance of ComSuper, ensure that there are adequate supplies of the New Starter Kits available for timely distribution by Defence to new ADF employees; and
- use its communication channels to advise members of any material matters, developments or issues affecting their superannuation benefits, such as policy or rule changes or new, suspended or withdrawn services or products.

## **Membership Information**

The MSB Board agrees to supply membership data to Defence, and/or the Actuary and external auditors via ComSuper to facilitate the calculation of the unfunded liability of the MSB Scheme and to allow for an annual financial statement audit.

# **Schedule 3: Defence and DFRDB Authority**

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## **Funding**

Defence agrees to provide for the agreed costs for the administration of the DFRDB Scheme to ComSuper in the Defence Budget and Forward Estimates as indicated in Schedule 7. Agreed funding for the administration of the DFRDB Authority will be provided by Defence to ComSuper.

## **Reporting Responsibilities**

Defence agrees to prepare briefing material and advice on superannuation policy matters, responses to questions on notice and public statements concerning the DFRDB Scheme and provide such material to the Minister after consultation with the DFRDB Authority where appropriate.

## **DFRDB Authority appointments and committees**

Defence agrees to:

- make recommendations to the Minister in relation to proposed DFRDB Authority appointments in consultation with the DFRDB Authority;
- prepare the instruments of appointment in relation to DFRDB Authority members for the Minister's approval; and
- provide appropriate staff to be members of any Committee attached to the DFRDB Authority.

## **Policy**

Defence may make recommendations on changes to the DFRB and DFRDB Acts, in consultation with the DFRDB Authority and ComSuper.

Defence agrees to co-ordinate with responsible drafting agencies the preparation of the instruments on the agreed recommendations of changes to the DFRB and DFRDB Acts for the Minister's approval.

The DFRDB Authority may make recommendations and give advice on policy developments.

## **Communications**

Defence agrees to:

- support the Military Superannuation Communications Committee (a subcommittee of the MSB Board) in the development of a communications strategy, in consultation with the DFRDB Authority;
- provide input and clearance for drafts of communication material and documents such as the Annual Report to Members and the Annual Report to Parliament on the request of the DFRDB Authority or ComSuper; and
- communicate with DFRDB Scheme members by facilitating and supporting access to members for the purposes of transition seminars, help members to understand their superannuation obligations and entitlements by

communicating with them through service newspapers, Departmental Circulars and the Defence Intranet or other equivalent media.

## **Membership Information**

The DFRDB Authority agrees to supply membership data to Defence and/or the Actuary via ComSuper to facilitate the calculation of the unfunded liability of the DFRDB Scheme.

The DFRDB Authority agrees to meet the Statement of Expectations (issued by the Department of Defence) in line with its Statement of Intent.

# Schedule 4: Defence and ComSuper

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## Funding

Defence agrees to:

- meet the agreed costs for the administration of the MSB and the DFRDB Schemes from its Budget as indicated in Schedule 7;
- provide reasonable notice to assist ComSuper to accommodate the abnormal demands of Defence initiatives (such as redundancy programs and retrospective pay rises); and
- negotiate with ComSuper on any additional funding required by ComSuper to meet the additional costs of major Defence initiatives leading to changes or enhancements to the MSB Scheme or the DFRDB Scheme.

ComSuper agrees to:

- use its best endeavours to administer the Schemes in an efficient and cost-effective manner;
- ensure the efficient and accountable management and control of funds acquired by access to Defence's appropriation;
- provide the superannuation information necessary for Defence to meet its financial reporting obligations including for:
  - any requirements identified by Defence's internal audit or ANAO; and
  - Defence's monthly financial statements;
- provide Defence within ten (10) Days following the end of each calendar month a reconciliation of the relevant administered payments bank accounts to the monthly data provided to Defence in accordance with this Schedule;
- provide Defence with end of financial year data as at 30 June of the relevant year together with certifications completed by ComSuper's Chief Finance Officer as to the integrity and accuracy of financial data provided to Defence throughout the year; and
- assess and notify costs of implementation of planned policy, legislative and administrative changes.

## Managing Funding Appropriation

Defence agrees to:

- provide ComSuper with third party access to draw-down monies from Defence's appropriations through the Appropriations & Cash Management Module (ACM) in the Central Budget Management System; and
- ensure that funds are available so that ComSuper can draw-down funds as necessary for the purpose of processing administered payments under the Acts.

ComSuper agrees to:

- provide the superannuation information as required by Defence's internal audit or ANAO; and
- provide the superannuation information necessary for Defence to meet its financial reporting obligations including providing, within two (2) Days following

the end of each calendar month, a cash sheet reconciled to the Appropriations & Cash Management Module.

## **Employer Issues**

Defence and ComSuper agree to progress work on understanding and prioritising issues in order for Defence to:

- report new enlistments required to contribute to the MSB Scheme to ComSuper via the Defence Pay Systems on the first available payday, but no later than the second payday following enlistment;
- obtain and report Tax File Numbers (TFN) for all members of the Schemes;
- deduct member contributions from the fortnightly salary of MSB Scheme and DFRDB members and remit them, along with the 3% productivity contributions, to the nominated bank accounts on the payday to which they relate;
- remit employer contributions, under the accrual based superannuation arrangements, to the nominated bank accounts on the payday to which they relate;
- provide ComSuper with data files showing details of all MSB Scheme and DFRDB Scheme contributor variations and other member data on or before the payday to which they relate;
- investigate and respond within ten (10) Days to any data enquiries from ComSuper concerning members, 3% productivity contributions and other superannuation data;
- provide the necessary benefit claim documentation to all members who intend to separate from Defence and report the separation and cessation of contributions via the Defence Pay Systems to ComSuper on the first available payday following the separation date;
- provide service details required by ComSuper to calculate and complete the processing of benefits;
- respond to requests for information to enable ComSuper to resolve issues raised by members or members' representatives within (ten) 10 Days of receipt of the request from ComSuper;
- minimise data or monetary adjustments for separated members reported after the date of exit;
- execute the timely and accurate processing of *Invalidity Retirement from the Defence Force Medical Information Forms* (DM42s) with accompanying legible supporting documentation;
- undertake to correctly commence members in their proper Scheme. If however, ComSuper identifies that a member is incorrectly contributing to either Scheme, ComSuper will advise Defence and Defence will make an adjustment through their payroll. If the member is no longer employed the contributions will be refunded directly to the member;
- undertake to inform recipient members of ramifications of re-entry into either scheme;
- undertake to provide data to ComSuper in an acceptable format and of a reasonable quality to enable ComSuper to process the information provided in an efficient and timely manner; and

- make payment of employer Superannuation Guarantee top up contributions for allowances considered to be ordinary time earnings (but not included in salary for superannuation purposes).

## **Communications**

To facilitate the distribution of Annual Member Statements and other member communications:

- Defence and ComSuper agree to co-operate in the timely distribution of Annual Member Information Statements and other publications prepared by the MSB Board/DFRDB Authority for the information of members (including the initial and ongoing distribution of the member information booklet);
- Defence agrees to the provision of accurate member address data to the extent permitted by its existing systems for the purposes of member communication for all contributing members;
- ComSuper agrees to maintain accurate preserved member address data provided by those members; and
- Defence agrees to facilitate access to bases and military establishments to ComSuper to provide educational services as agreed by the MSCC.

## **Member Information**

Defence agrees to provide ComSuper with the following information and endeavour to meet the timescales indicated:

- provide medical reports and other relevant personnel details to assist in the invalidity classification processes within thirty (30) Days prior to the member's discharge or within ten (10) Days after the member's discharge if the first requirement cannot be met;
- respond to any enquiries from ComSuper concerning clarification of employment and medical information within thirty (30) Days;
- provide up-to-date address data for member statements prior to 31 July;
- respond within ten (10) Days to ad hoc requests for information and calculations by ComSuper within the agreed upon timeframe and standard; and
- provide assistance to ComSuper in the form of a regular meeting with a Defence staff member in developing and pursuing resolutions to identified deficiencies in Scheme legislation.

ComSuper agrees to provide the membership data to the Actuary for the calculation of the unfunded liability estimates for the MSB and DFRDB Schemes and for the financial statement audit. Any other requests by third parties for membership data must be approved by the MSB Board and the DFRDB Authority and not contravene any law.



## **Ministerial Issues**

ComSuper agrees (when requested by Defence) to provide information to assist Defence in the preparation of responses to Ministerial representations and other Ministerial/Parliamentary requirements, within the deadline set by the relevant Defence Minister's Office. ComSuper agrees to draft the ministerial responses where appropriate to do so.

## **Reporting Responsibilities to the Ministers**

Defence agrees to prepare briefing material and advice on superannuation policy matters, responses to questions on notice and public statements concerning the military superannuation schemes, and provide such material to the Minister, after consulting with the MSB Board, the DFRDB Authority and ComSuper where appropriate.

ComSuper agrees to prepare briefing material and advice on superannuation administration matters, responses to questions on notice and public statements concerning the administration of the military superannuation schemes, and provide such material to the Minister, after consulting with the MSB Board, the DFRDB Authority and Defence where appropriate.

# **Schedule 5: ComSuper and MSB Board**

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## **Services and Standards**

The relationship between ComSuper and the MSB Board is pivotal to the provision of Services to MSB Scheme members and in meeting the legislative and reporting requirements of the MSB Scheme.

The Services and the standards to which ComSuper agrees to provide and perform these are as per Schedule 8 of this Agreement.

## **Fees for Administration Services provided to the MSB Board**

ComSuper agrees to:

- pay directly to the bank account operated by ComSuper in the name of the MSB Board an amount as per Schedule 7 for MSB Board activities; and
- charge the MSB Board a separate fee for the provision of Optional Administration Services as agreed from time to time.

The MSB Board agrees to:

- provide management assurance on expenditure of public monies and will comply with the FMA Act for the purposes of funds drawn through ComSuper; and
- will complete regular compliance reporting in relation to ComSuper's FMA responsibilities

## **Board Policies**

Where relevant, the MSB Board may issue specific policy direction to ComSuper in relation to particular aspects of administration that ComSuper complete on behalf of the MSB Board (e.g. unit pricing). The MSB Board will advise Defence when issuing any major policy direction to ComSuper. This will be done at the time of the direction being issued.

The MSB Board will advise on material compliance and policy issues impacting on the administration of the MSB Scheme to both ComSuper and the Department of Defence.

## **Complaints handling process**

All complaints will be finalised in accordance with procedures and timelines agreed between ComSuper and the MSB Board.

ComSuper agrees to provide to the MSB Board sufficient detail regarding a complaint to enable it to make an informed determination of the matter.

## **Claims Handling Process**

All claims against the MSB Board will be finalised in accordance with documented procedures and in accordance with administrative procedures agreed between ComSuper and the MSB Board.

## **Communications**

The MSB Board agrees to:

- the participation of ComSuper in the MSCC; and
- assist ComSuper in the supply of new starter kits to new MSB Scheme members through Defence.

## **Reporting**

The MSB Board agrees to provide:

- ComSuper with all necessary financial information to allow preparation of the Fund financial statements; and
- an annual advice to the Minister for Finance and Deregulation on ComSuper's performance.

## **Approval Process**

The MSB Board agrees under normal circumstances to approve general requests within ten (10) Days. Where exceptional or urgent circumstances warrant, the MSB Board will endeavour to complete these requests as a matter of priority.

For this purpose general requests include, but are not limited to:

- general product sign off;
- clearance of complaints; and
- the appointment of Authorised Representatives.

# **Schedule 6: ComSuper and DFRDB Authority**

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## **Services and Standards**

The relationship between ComSuper and the DFRDB Authority is central to the provision of Services to the DFRDB members and in meeting the legislative and reporting requirements of the DFRDB Scheme.

The Services and the standards to which they are performed are as per Schedule 9.

## **Secretariat Service**

ComSuper will provide a secretariat service for the DFRDB Authority.

## **Complaints handling process**

ComSuper agrees to finalise all complaints in line with procedures and timelines agreed between ComSuper and the DFRDB Authority.

## **Policy**

ComSuper agrees to distribute papers prepared by Defence for consideration of the DFRDB Authority.

## **Claims Handling Process**

All claims against the DFRDB Authority will be finalised in accordance with documented procedures and in accordance with administrative procedures agreed between ComSuper and the DFRDB Authority.

## **Communications**

ComSuper agrees to participate in the development of the communications strategy and material in conjunction with the MSCC.

# Schedule 7: Agreed Funding Arrangements

Subject to the allowances and assumptions detailed below, the agreed Total Administration Fee to be paid by Defence to ComSuper for providing the Administration Services (excluding Optional Administration Services) outlined in this Agreement is:

	<b>Total Administration Fee</b>	<b>Fee Components</b>	
<b>2011–12</b>	\$25,232,816	ComSuper annual administration fee <ul style="list-style-type: none"> <li>• Add Wage Cost Index (1.9%)</li> <li>• Less Efficiency Dividend (1.0%)</li> </ul> <p style="text-align: right;"><b>Subtotal</b></p> MSB Board annual administration fee <p style="text-align: right;"><b>Total Fee Payable</b></p>	\$23,600,000 \$448,400 (\$240,484) <b>\$23,807,916</b> \$1,424,900 <b>\$25,232,816</b>
<b>2012–13</b>	\$25,514,763	ComSuper annual administration Fee <ul style="list-style-type: none"> <li>• Add Wage Cost Index (1.9%)</li> <li>• Less Efficiency Dividend (1.0%)</li> </ul> <p style="text-align: right;"><b>Subtotal</b></p> MSB Board annual administration fee <p style="text-align: right;"><b>Total Fee Payable</b></p>	\$23,807,916 \$452,350 (\$242,603) <b>\$24,017,663</b> \$1,497,100 <b>\$25,514,763</b>

## MSB Board Administration Fee

ComSuper will receive in the Total Administration Fee an amount for the MSB Board's administration activities. This amount (as specified in the Fee Components in the above table) will be paid quarterly, in advance, to the notional bank account maintained by ComSuper in the name of the MSB Board.

## Allowances

As part of the ComSuper Annual Administration Fee a number of Administration Services have an allowance associated with them (see table below). If an allowance specified in the following table for a particular Administration Service is exceeded, all Parties agree to negotiate a requisite adjustment to the agreed Annual Administration Fee. Alternatively, Defence, the MSB Board or the DFRDB Authority may direct ComSuper not to provide the particular Administration Service or any part of the Administration Service.

ComSuper will provide advance notice of the potential for any allowance to be approached or exceeded.

<b>Administration Service</b>	<b>An annual allowance provided for MSB Board and DFRDB Authority</b>
Invalidity Services	90 DFRDB and 770 MSBS initial invalidity assessments; 0 DFRDB and 250 MSBS invalidity review assessments; 15 DFRDB and 53 MSBS requested review assessments; and 10 DFRDB and 10 MSBS retrospective invalidity classification investigations.
Reconsideration Services	93 DFRDB and 304 MSBS reconsideration assessments
Other Board/Authority Initiatives and Legislative Requirements	Application may be made to Defence for additional funding for: <ul style="list-style-type: none"> <li>• the implementation of administrative systems and processes to support new and unplanned MSB Board or DFRDB Authority initiatives and legislative changes: and</li> <li>• the correction of administrative errors.</li> </ul> Such applications for funding will be assessed for funding on the merits and strengths of the business case. There is no guarantee that additional funding will be available. ComSuper may agree to commence work before funding is sought.
Seminars	An allowance of up to 180 seminars per financial year has been provided. The seminar program is to be scheduled by Defence.
One-on-one information sessions	An allowance of the equivalent of one full time equivalent staff member to conduct personal information sessions has been provided.
Printing	An allowance of \$45,000 for DFRDB and \$120,000 for MSBS has been provided for all printing of brochures, facts sheets and publications. This includes a maximum of \$25,000 for MSBS Product Disclosure Statement (PDS).
Secretariat Services for the DFRDB Authority	An allowance of \$30,000 has been provided for the provision of secretariat services for the DFRDB Authority.
Secretariat Services for the MSB Reconsideration Committee	An allowance of \$30,000 has been provided for the provision of secretariat services for the Reconsideration Committee.

## Assumptions

The following assumptions have been made in order to agree to the fixed Annual Administration Fee set out above for the provision of the Administration Services.

If at any time during the period of this Agreement these assumptions prove to be incorrect, then the narrative below the particular assumption details the impact on the Annual Administration Fee.

Service	Assumption
Membership Growth	<p>It is assumed that per annum MSBS membership growth will be 7,063 members.</p> <p>If membership increases exceed 7,063 members then ComSuper and Defence will agree the additional fee to support Services for these members.</p> <p><i>Costs for the services performed within the membership growth eg telephone calls, benefit estimates etc are based on a two year average factoring in seasonality. Should transaction volume rise by greater than 5% on the two year average (2009-11) over a period of four months, ComSuper will initiate a formal review of service levels and options for meeting the service level requirements.</i></p>
ComSuper Insurance for Administration Services	<p>It is assumed the existing indemnity arrangements as at the date of this agreement remain in place.</p> <p>If these arrangements change causing additional insurance costs to ComSuper, then ComSuper and Defence will agree the additional fee to fund the increased insurance costs.</p>
Distribution of member statements	<p>It is assumed that ComSuper will continue to distribute material (including annual member statements and annual member mail outs) to members.</p> <p>If the distribution arrangements change causing additional costs, then ComSuper and Defence will agree the additional fee to fund the increased costs.</p>
Military Super Review	<p>For the purposes of this SLA no consideration has been given to the possible outcomes of the Department of Defence review of Military Superannuation arrangements. Any impact to services and costs will be assessed separately.</p>
Board Mergers	<p>For the purposes of this SLA no consideration has been given to the possible outcomes and attendant cost implications for the merger of the MSB and ARIA boards and the DFRDB Authority from 1 July 2011. Any impact to services and costs as a result of this project will be assessed separately.</p>

## Reduction in Total Administration Fee

Where a change is requested by Defence, the DRFDB Authority or the MSB Board, and that change materially reduces the amount of resourcing, effort and/or costs required to administer the Schemes, the Parties agree to negotiate an adjustment to the Total Administration Fee.

For the purposes of this clause, a material reduction in resourcing, effort and/or costs would amount to a change which reduces the amount of the relevant measure or KPI by at least 5%.

## Payment Terms

Defence agrees to pay the Total Administration Fee on a quarterly basis within thirty (30) Days of receipt of invoice.

## Funding sources

The following table summarises the source of funding for the Administration Services provided by ComSuper.

Fee or Payment Type	Funding Source
Annual Administration Fee	A fee levied on the Department of Defence
Payment of Benefits (Funded and Unfunded) – including delayed benefit interest (if any)	Draw down from Defence Special Appropriation
Payment of Benefits (Funded)	Reimbursed from the Consolidated Revenue Fund
Payment of additional amount where Benefit initially calculated incorrectly	Draw down from Defence Special Appropriation
Write-off of amounts where excess Benefit initially paid	Draw down from Defence Special Appropriation
Payment of Compensation	Draw down from Defence Special Appropriation
Payment of Legal Fees	Draw down from Defence Special Appropriation
Payment of Medical Costs—MSBS	Sourced from ComSuper's Annual Administration Fee
Payment of Medical Costs—DRFDB	Draw down from Defence Special Appropriation

Notes:

1. A draw down from Defence Special Appropriation is processed by ComSuper through the Appropriations & Cash Management Module (ACM) and is classified as "COMSUPER". Amounts drawn down are then reported to Defence monthly.



# **Schedule 8: MSB Statement of Services and Standards**

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## **Services to be provided**

This Schedule sets out the Services to be provided by ComSuper to MSB Scheme members, including pensioners, on behalf of the MSB Board and the standards that are to be applied to those Services. In delivering the Services, ComSuper will ensure it remains compliant with all relevant legislation and MSB Board Licensing requirements.

Where a standard is not met, ComSuper will provide commentary on the reason the standard was not met within the monthly Administrator's report. Separately, where there is a systemic reason why 100% achievement is not possible ComSuper is to raise this as part of its regular Issues meeting with the MSB Management.

## **Definitions**

For the purposes of this Schedule:

- 'Administrator' means ComSuper (the business name for Commonwealth Superannuation Administration);
- 'Board' means the MSB Board;
- 'Days' means business days;
- 'MSB Management' means senior management employed by the MSB Board, reporting to the MilitarySuper Chief Executive Officer; and
- 'Member' (where relevant) includes associate members and ancillary benefit members of the MSB Scheme.

## **Funding**

Subject to Schedule 7 of this Agreement, the source of funding for each of the Services provided is indicated by the following notes (next to each service):

- (1) Fully funded by an administration charge to Defence;
- (2) Funded by an administration charge to Defence, except the Annual Report to Members, which is funded by the MSB Fund;
- (3) Funded by an administration charge to Defence, except the Member Investment Choice Guide, which is funded by the MSB Fund;
- (4) Funded by administration charge to Defence, except Legal and Compensation which are funded by Defence Appropriation;
- (5) Funded by an administration charge to Defence, subject to limits in Schedule 7; and
- (6) Funding as otherwise agreed by the Parties.

SERVICE	STANDARD	REPORTING
<b>1. Account Maintenance</b>		
<p><b>1.1 Collection, recording and maintenance of member information (1)</b></p> <p>ComSuper will:</p> <ul style="list-style-type: none"> <li>maintain accurate records of contributing members, preserved benefit members, associates and pensioners to facilitate, among other things, accurate and timely communications, the accurate and timely payment of benefits, various reporting requirements and reconciliation against the MSB Scheme accounts; and</li> <li>ensure that adequate systems, procedures and controls are in place to meet the administration and reporting requirements of Taxation, Corporations Law, Superannuation Industry Supervision (SIS) and Privacy legislation and the Scheme Rules.</li> </ul>	<p>Receipt of assurance (in a format agreed by the MSB Board) in the annual management representation letter in respect of the systems used to maintain member records.</p>	<p><b>Annual management representation letter</b></p>
	<p>At the direction and requirement of the Audit and Risk Management Committee of the MSB Board, arrange for an independent audit of these systems and controls to be undertaken in accordance with appropriate standards, including GS 007.</p>	<p><b>Quarterly</b></p>
	<p>Number of complaints relating to maintenance of member information.</p>	<p><b>Report in the monthly Complaints Report</b></p>
<p><b>1.2 Contributions/remittances (including ancillary contributions)—collection, banking, recording and maintaining of accounts (1)</b></p> <p>ComSuper will:</p> <ul style="list-style-type: none"> <li>maintain appropriate banking arrangements for the payment of contributions/remittances into the MSB Fund Account;</li> <li>lodge monies with the MSB Board's investment custodian for investment by investment managers to the extent that monies held in the MSB Fund Account are not required for the purpose of the payment of benefits and other expenses;</li> <li>maintain appropriate accounting systems for the recording of contributions/remittances received;</li> <li>monitor the collection of contributions/ and pursue any late remittance of contributions with Defence; and</li> <li>review contribution allocation SLA by 31 October 2011 and advise Board of impact of ePASS on standard able to be achieved.</li> </ul>	<p>Contributions (including roll-ins) are to be allocated to members accounts:</p> <ul style="list-style-type: none"> <li>95% within four (4) Days of acceptance.</li> </ul>	<p><b>Monthly</b></p>
	<p>Additional information required by ComSuper in order to process the contribution is to be sought:</p> <ul style="list-style-type: none"> <li>98% within 10 Days of receipt of the contributions</li> </ul>	<p><b>Monthly</b></p>
	<p>Contributions received where the individual is no longer a member or the member is not eligible to receive the contributions are to be refunded or transferred from the Fund:</p> <ul style="list-style-type: none"> <li>No Tax File Number (TFN) - 100% within thirty (30) Days of receipt.</li> <li>Exited members - 98% within thirty (30) Days of receipt.</li> </ul> <p>ComSuper will provide commentary on the reasons the standard was not met.</p>	<p><b>Monthly</b></p>
	<p>Contribution/remittances to be deposited in the MSB Fund Account on the same day as received.</p>	<p><b>Monthly</b></p>
	<p>Daily reconciliations will be undertaken to ensure that all monies received are banked.</p>	<p><b>Monthly</b></p>
	<p>Balance of funds held in the MSB Fund Account to be monitored daily and any funds not required for the purpose of paying benefits and other expenses paid to the MSB Board's investment custodian.</p>	<p><b>Monthly</b></p>

SERVICE	STANDARD	REPORTING
	Contributions/ remittances to be recorded in the MSB accounting systems within one week of receipt.	Monthly
	All known contributions not received within 3 Days of the due date will be pursued with the Defence.	Monthly
	ComSuper will process all surcharge monies and report debit reduction or clearance of debt to the member within 5 Days of receipt of monies.	Monthly
<b>1.3 Member Investment Choice (MIC) (1)</b> ComSuper will process investment switch applications and provide members with written confirmation of changes made.	In accordance with the MSB rules, ComSuper will process all correctly completed MIC investment switch applications.	Monthly
	ComSuper will provide members with written confirmation of the processing of all switch applications within five (5) Days of processing the switch.	Monthly

SERVICE	STANDARD	REPORTING
<b>2. Member Communications</b>		
<p><b>2.1 Member Communications (1)</b></p> <p>ComSuper will, at the direction of the MSB Board, undertake a communications program aimed at improving members', preserved benefit members' and pensioners' knowledge and understanding of the Scheme so that they are in a position to make informed decisions at times when these need to be made. This will include the range of communications required by SIS and Corporations Law (FSR) and recognise the particular needs of members.</p> <p>Specifically, ComSuper undertakes to provide a range of communications to members on benefit entitlements and queries relating to the general administration of the Scheme in writing, over the phone (using Interactive Voice Recognition (IVR) technology) and by electronic means. ComSuper will continuously seek ways to improve these communications.</p> <p>ComSuper will also provide a range of seminars broadly in accordance with demand, including with respect to associate benefits and to make available various Scheme publications both in hard copy and electronic format.</p> <p>ComSuper will deliver the abovementioned member communication services in accordance with the MSB Board's licensing obligations. The specific details will be the subject of agreement between the MSB Board and ComSuper.</p> <p>ComSuper will apply Scheme branding for all member communication. This branding will remain as agreed for the term of the SLA.</p>	<p>ComSuper will process or respond to:</p> <p><u>Written enquiries (letters, fax, e-mails):</u></p> <ul style="list-style-type: none"> <li>- 90% in five (5) Days;</li> <li>- 98% in ten (10) Days</li> </ul> <p>ComSuper will provide commentary on the reasons the standard was not met.</p>	<p><b>Monthly including average and worst experience</b></p>
	<p><u>Manual calculations:</u></p> <ul style="list-style-type: none"> <li>- 95% in twenty (20) Days; and</li> <li>- 98% in thirty (30) Days</li> </ul> <p>ComSuper will provide commentary on the reasons the standard was not met.</p>	<p><b>Monthly in the Administrator's Report or at the fortnightly issues meeting.</b></p>
	<p><u>One-On-One Information Sessions:</u></p> <p>To be delivered to members both in-house as required, and interstate in conjunction with the seminar program schedule.</p> <p>The seminar program is set by the ADF Financial Services and Consumer Council and the ADF Transition Centre.</p>	<p><b>Monthly</b></p>
	<p><u>Answer Telephones:</u></p> <ul style="list-style-type: none"> <li>- 75% answered in 60 seconds; and</li> <li>- less than 5% abandoned calls.</li> </ul>	<p><b>Monthly including average speed of answer, abandoned calls and worst experience</b></p>

SERVICE	STANDARD	REPORTING
<p><b>2.2 Bulk Member Communication (2)</b></p> <p>ComSuper will undertake two major mail outs to relevant members each year :</p> <ul style="list-style-type: none"> <li>• an annual member statement and explanatory material (including annual report to members and preservers)</li> <li>• an annual mid-year member mail out to relevant members.</li> </ul> <p>Annual reports to members in electronic format (and hard copy on request)</p> <p>Bulk member communication will be distributed either through Defence or ComSuper, as appropriate, and agreed between the parties.</p>	<p>Annual Reports for Members and Preserved Benefit Members will be available for distribution by 30 September.</p>	<p><b>Annually</b></p>
	<p>Annual Report to Parliament will be prepared in accordance with the legislated requirements for content and timings.</p>	<p><b>Annually</b></p>
	<p><u>Annual Member Statements:</u></p> <ul style="list-style-type: none"> <li>– system produced: by 31 October</li> <li>– Manual statements: by 1 December</li> <li>– Replacements: 90% within ten (10) Days</li> <li>– 100% of all member statements are to have been produced and distributed by 31 December to meet the Corporations Law requirement that statements be distributed by this date annually.</li> </ul>	<p><b>Annually</b></p>
	<p><u>Annual Mid-Year Member Mail out:</u></p> <ul style="list-style-type: none"> <li>– As agreed annually between the MSB Board's MSCC and ComSuper</li> </ul>	<p><b>Annually</b></p>
<p><b>2.3 Maintain Publications (3)</b></p> <p>ComSuper will review, update, maintain and supply a standard suite of agreed products.</p> <p>ComSuper will provide layout, print and distribution for primary documents – Financial Services Guide (FSG), Product Disclosure Statement (PDS), Military Super Book and Member Investment Choice Guide.</p> <p>Where legislative or regulatory change requires the production of new or additional publications ComSuper will negotiate additional funding with Defence.</p>	<p>Annual review and compliance signoff provided to Board.</p>	<p><b>Annual review of listed publications</b></p>

SERVICE	STANDARD	REPORTING
<p><b>2.4 Maintain Website (1)</b></p> <p>ComSuper will maintain existing website content to ensure accuracy and currency. ComSuper will conduct an annual compliance review of the web site content.</p> <p>Maintenance of Website includes:</p> <ul style="list-style-type: none"> <li>• I Estimator</li> <li>• Content review</li> <li>• Page linking</li> <li>• Minor amendments</li> <li>• Minor creation/editing of new pages</li> <li>• Maintenance and update reports</li> </ul> <p>Agreement to be gained between ComSuper's Executive Manager of Communications and MSB Management regarding any discrepancies.</p> <p>ComSuper will ensure current Management Expense Ratio (MER) and Indirect Cost Ratio (ICR) are displayed on MSB Board's website as mentioned in MSB Board's PDS.</p>	<p><u>Website changes:</u></p> <ul style="list-style-type: none"> <li>– <u>Critical updates:</u> 2 hours (where update is provided within same day business hours)</li> <li>– <u>Routine updates:</u> 100% in two (2) Days</li> </ul> <hr/> <ul style="list-style-type: none"> <li>– <u>Unit prices:</u> The latest unit price for all options is to be posted to the website by 12.00pm each working day (except where the unit price is provided after that time by the custodian).</li> <li>– <u>Other:</u> A monthly review of the website for 'dead links' out of date information, etc</li> </ul>	<p><b>Next Day</b></p> <p><b>Monthly</b></p> <p><b>Monthly</b></p> <p><b>Monthly</b></p>
<p><b>2.5 Ensuring the availability of website and website services (1)</b></p> <p>ComSuper will ensure that the website is readily available to members at any hour.</p>	<p>ComSuper to report any anticipated or experienced changes in availability of the website to the MSB Board as soon as practically possible.</p>	<p><b>As required &amp; Twice Annually (routine)</b></p>
<p><b>2.6 Maintaining White Pages telephone book listings for capital cities (1)</b></p>	<p>Annual updates of any telephone number changes and toll free numbers for capital cities.</p>	<p><b>Annually</b></p>
<p><b>2.7 Hours for member service delivery (1)</b></p>	<p>ComSuper's hours of service delivery are 9am to 5pm Monday to Friday with the exception of all National and Canberra Public holidays and the Christmas closedown period.</p>	<p><b>Twice Annually</b></p>
<p><b>2.8 Responses to Queries from other Government Agencies (1)</b></p> <p>The Contact Centre will respond to ad hoc queries from other agencies on behalf of a member.</p>	<p><u>Written correspondence:</u></p> <ul style="list-style-type: none"> <li>– 90% in ten (10) Days</li> </ul> <p>ComSuper will provide commentary on the reasons the standard was not met.</p>	<p><b>Monthly including worst average experience</b></p>

SERVICE	STANDARD	REPORTING
<b>3. Benefit Payments</b>		
<p><b>3.1 Benefit payments (1)</b></p> <p>ComSuper will process all applications for benefits (lump sum or pension) from contributors and preserved benefit members in a timely manner and in accordance with relevant legislation.</p> <p>Where ComSuper requires additional information in order to process a benefit payment this is to be sought within five (5) Days of ComSuper's receipt of the benefit payment request.</p> <p>For members whose applications are processed outside thirty (30) Days late payment interest will be added in accordance with the MSB Board's Interest Determination.</p> <p>ComSuper will create separate interests as required under Family Law and issue payment split notices.</p>	<p>Benefit application processing (providing all necessary information is received):</p> <ul style="list-style-type: none"> <li>- 90% in five (5) Days</li> <li>- 98% in ten (10) Days</li> </ul> <p>ComSuper will report on those cases outside service standard</p>	<p><b>Monthly, including average and worst experience</b></p>
<p><b>3.2 Early Release Claims (1)</b></p> <p>ComSuper will assess and process early release claims from preserved benefit members.</p>	<p>Early release claims are to be assessed and determined within five (5) Days of receipt of a complete and accurate form, unless further investigation of claims on the form are necessary.</p>	<p><b>Monthly</b></p>
<p><b>3.3 Applications involving questions of dependency (1)</b></p>	<p>ComSuper will acknowledge and send an application form to the relevant parties in 95% of cases, within two (2) Days of advice of a deceased member's funeral.</p> <p>ComSuper will provide a benefit estimate to eligible persons within five (5) Days of the delegate's determination.</p> <p>Applications from eligible dependents on the death of a member are to be approved within ten (10) Days of all relevant material being submitted to process the benefit or pension.</p> <p>ComSuper will report to the MSB Board any dependency applications greater than ninety (90) Days old.</p> <p>Subject to there being no counter claims, benefit applications will be processed for the next available payday by ComSuper once all necessary information has been received to process the benefit.</p>	<p><b>Monthly</b></p> <p><b>Monthly</b></p> <p><b>Monthly</b></p> <p><b>Monthly</b></p> <p><b>Monthly</b></p>
<p>Once investigation has concluded with an assessment to release funds to the member, payment of releasable funds are to be processed within five (5) Days.</p>	<p><b>Monthly</b></p>	
<p>Average processing time of 4 Days over a month.</p>	<p><b>Quarterly</b></p>	
<p>100% of <u>death benefit claims</u> not paid within ninety (90) Days of the claim being lodged are to be reported to the MSB Board</p>	<p><b>Quarterly</b></p>	
<p>100% of <u>death and invalidity benefit claims</u> not paid within six (6) months of the claim being lodged are to be reported to the MSB Board.</p>	<p><b>Monthly</b></p>	
<p><u>Manual calculations:</u></p> <ul style="list-style-type: none"> <li>- 95% in twenty (20) Days; and</li> <li>- 98% in thirty (30) Days</li> </ul>	<p><b>Monthly</b></p>	

SERVICE	STANDARD	REPORTING
<p><b>3.4 Processing invalidity claims (1)</b></p> <p>In determining invalidity benefits ComSuper will ensure that due process is followed, that claims are processed expeditiously, that legislative requirements are met and that guidelines issued by the MSB Board are followed.</p>	<p><u>Cases for consideration by delegate:</u></p> <ul style="list-style-type: none"> <li>- To be determined within ten (10) Days of receipt of all required supporting documentation and any additional information that may be required.</li> <li>- A determination will not be made more than ten (10) Days prior to the date of discharge.</li> </ul>	<p><b>Monthly</b></p> <p><b>Monthly</b></p>
	<p><u>Cases for submission to the Incapacity Classification Committee (ICC):</u></p> <ul style="list-style-type: none"> <li>- To be submitted to the next available meeting of the Committee after receipt of supporting documentation* and any additional information that may be required.</li> </ul> <p>*supporting documentation includes medical documentation, the member's employment experience, advice of conditions causing retirement and confirmation of date and mode of exit.</p>	<p><b>Monthly</b></p>
	<ul style="list-style-type: none"> <li>- Cases will not be submitted to the Committee more than ten (10) Days prior to the date of discharge.</li> </ul>	<p><b>Monthly</b></p>
	<ul style="list-style-type: none"> <li>- Members are to be formally advised of decisions taken by either a delegate or the Committee within five (5) Days.</li> </ul>	<p><b>Monthly</b></p>
	<ul style="list-style-type: none"> <li>- Decisions of the ICC to be tabled at the first available MSB Board meeting.</li> </ul>	<p><b>Monthly</b></p>
<p><b>3.5 Pension variations (1)</b></p> <p>Monthly death matching</p> <p>Changes to pensioner records</p>	<p>ComSuper will run regular death matching processes to identify and cease pensions where notification of death of a pensioner has not occurred.</p>	<p><b>Monthly</b></p>
	<p>Changes to pensioner records will be made within the first available fortnightly pay cycle following receipt of a request e.g. bank account details, address, termination date or change to payment arrangements.</p>	<p><b>Monthly</b></p>
<p><b>3.6 Pension increase / advice (1)</b></p> <p>ComSuper will process pension increases in accordance with relevant legislation and within any guidelines issued by the MSB Board in relation to such transactions.</p>	<p>The July increase will be processed for payment on the first payday in July.</p> <p>The January increase will be processed for payment on the first payday in January.</p> <p>A letter and/or newsletter, approved by the MSB Board, will be sent to pensioners advising of the increase before the increase applies.</p>	<p><b>Annually</b></p> <p><b>Annually</b></p> <p><b>Twice Annually</b></p>



SERVICE	STANDARD	REPORTING
<p><b>3.7 Review of invalidity classifications (1)</b></p> <p>ComSuper will periodically review the classification of invalidity pensioners, either of its own volition or at the request of the MSB Board or pensioners.</p>	<p>Medical and requested reviews will be completed within twenty (20) Days of receipt of all relevant information.</p>	<p><b>Quarterly</b></p>
	<p>Two hundred and fifty (250) medical reviews will be conducted for pensioners using the selection criteria agreed to by the MSB Board, Department of Defence and ComSuper. This excludes cases set for indefinite review, the criteria for which are set by the MSB Board in consultation with the Department of Defence.</p>	<p><b>Quarterly</b></p>
	<p>Cases for submission to the ICC will be submitted to next available meeting of the Committee after receipt of all relevant documentation and any additional information that may be required.</p>	<p><b>Monthly</b></p>
	<p>Members will be formally advised of invalidity review decisions within five (5) Days.</p>	<p><b>As required</b></p>
<p>Decisions of the ICC are to be tabled at the first available MSB Board meeting following the ICC's decision.</p>	<p><b>As required</b></p>	
<p><b>3.8 Accounts and records and funding of benefit payments (1)</b></p> <p>ComSuper will:</p> <ul style="list-style-type: none"> <li>liaise with the MSB Board's Custodian to ensure that funds are available to meet benefits and other payments from the Fund for MSB payments as they fall due;</li> <li>consult with the MSB Management, where contribution flows are insufficient to meet benefit payments due without redeeming assets; and</li> <li>maintain proper accounts and records in respect of all benefits paid.</li> </ul>	<p>Immediate availability of funds from MSB Fund bank account to meet all anticipated and known benefit payments.</p>	<p><b>End of Financial Year statements</b></p>
	<p>Receipt of assurance (in a format agreed by the MSB Board) in the annual management representation letter that proper accounts and records have been kept.</p>	<p><b>Annual management representation letter</b></p>
<p><b>3.9 Annual student pension review (1)</b></p> <p>The student pension review will be conducted annually by ComSuper to ensure the students over the age of 16 remain eligible for the student pension.</p>	<p>This review will be conducted by the first payday in March each year and the result advised to the MSB Board.</p>	<p><b>Annually</b></p>
<p><b>3.10 Pension Payments (1)</b></p> <p>ComSuper will process and make pension payments in accordance with relevant legislation and Scheme Rules and within any guidelines issued by the MSB Board in relation to such transactions.</p>	<p>Pension payment will be made by fortnightly payments in line with the legislation.</p> <p>Exceptions to this are closedown and public holidays. In these cases payment will be made on the preceding day.</p>	<p><b>Monthly</b></p>

SERVICE	STANDARD	REPORTING
<b>4. Dispute Resolution</b>		
<p><b>4.1 Internal Review (1)</b></p> <p>ComSuper will investigate requests for reconsideration in a thorough, objective, and effective manner in accordance with any guidelines issued by the MSB Board.</p> <p>ComSuper will provide a secretariat service for the MSB Board's Reconsideration Committee.</p>	<p><u>ComSuper will process reconsideration requests:</u></p> <ul style="list-style-type: none"> <li>- 60% in eight (8) months;</li> <li>- 90% in twelve (12) months;</li> <li>- With an average of less than six (6) months for all reconsideration requests; and</li> <li>- ComSuper will ensure that no case has an outstanding action by ComSuper for more than thirty (30) Days unless, a medical examination is pending, or the case has been submitted to the Board/Committee for consideration.</li> </ul>	<b>Monthly</b>
	<p>Submissions to the MSB Reconsideration Committee will be prepared and issued within thirty (30) Days of receipt of all necessary documentation.</p>	<b>Monthly</b>
	<p>Decisions of the Reconsideration Committee are to be tabled at the first available MSB Board meeting.</p>	<b>As required</b>
	<p>Recommendations to the MSB Board for a review of a Reconsideration Committee decision will be submitted to the next available MSB Board meeting.</p>	<b>As required</b>
<p><b>4.2 External Review (4)</b></p> <p>ComSuper will do all things necessary to meet timeframes imposed by the Superannuation Complaints Tribunal, the Federal Court and other jurisdictions such as the Human Rights and Equal Opportunity Commission.</p> <p>ComSuper will also inform the MSB Board of the outcome of all external appeals and any implications stemming from these.</p>	<p>Process all external review cases objectively and meet all required statutory timeframes.</p>	<b>Monthly</b>
	<p>ComSuper will provide advance copies of submissions to the Superannuation Complaints Tribunal to the MSB Management for comment not less than five (5) Days prior to submission to the SCT. All submissions to the SCT require clearance by a Responsible Officer of the Board prior to submission to the SCT.</p>	<b>Monthly</b>
	<p>A report outlining the outcome of all external reviews is to be provided to the first MSB Board meeting after decision is handed down.</p>	<b>As required</b>
<p><b>4.3 Complaints (1)</b></p> <p>ComSuper will maintain all necessary systems for dealing with SIS registered complaints and representations made by the Minister's office, Parliamentarians and the Commonwealth Ombudsman.</p>	<p>ComSuper will provide substantive responses to all complaints (excluding 4.1 internal reviews) including complaints forwarded by the MSB Management where a draft response is sent to the MSB Management within twenty (20) Days.</p>	<b>Monthly</b>
<p>ComSuper will seek guidance from the MSB Management on complaints or enquiries where there is some uncertainty about whether the complaint can be considered by the Superannuation Complaints Tribunal.</p>	<p>For cases requiring external (advice or clarification) ComSuper will provide an interim response to the member within twenty (20) Days and with resolution within ninety (90) Days and as agreed with the MSB Management.</p>	<b>Monthly</b>

SERVICE	STANDARD	REPORTING
<p>ComSuper will provide the MSB Management with a draft of the final response from matters that can be considered by the Superannuation Complaints Tribunal. The information provided will have undergone checks to ensure technical accuracy.</p> <p>ComSuper will provide sufficient background information to the MSB Management to enable them to make an informed decision and draft a response if required.</p> <p>ComSuper will maintain systems for dealing with requests under the Freedom of Information Act and Scheme Rules.</p>	<p><u>Parliamentary/ Ombudsman requests:</u></p> <ul style="list-style-type: none"> <li>- resolve 100% within 20 Days.</li> </ul>	<p><b>Monthly</b></p>
	<p><u>Freedom of Information (FOI) requests:</u></p> <ul style="list-style-type: none"> <li>- resolve 100% within the statutory timeframe</li> </ul>	<p><b>Monthly</b></p>
	<p><u>FOI standards:</u></p> <ul style="list-style-type: none"> <li>- 100% of FOI requests are to be acknowledged within ten (10) Days of receipt</li> <li>- 100% of FOI requests are to be formally responded to within thirty (30) Days.</li> </ul>	<p><b>Monthly</b></p>
	<p>ComSuper will provide information to the Office of the Privacy Commissioner for inclusion in the Personal Information Digest by the required reporting due date.</p>	<p><b>Annually</b></p>
	<p>ComSuper will provide a report to the MSB Management of all complaints received and which have received responses.</p>	<p><b>Monthly</b></p>
<p><b>4.4 Claims (4)</b></p> <p>ComSuper undertakes to do all things necessary to facilitate the expeditious processing of negligence claims against the MSB Board in accordance with procedures agreed between the MSB Board, ComSuper and the Department of Defence.</p>	<p>After discussing with ComSuper, the MSB Board must communicate in writing to ComSuper as to when a matter is proceeding as a claim.</p>	<p><b>Report as arises</b></p>

SERVICE	STANDARD	REPORTING
<b>5. General Employer Support</b>		
<b>5.1 General Support (1)</b> ComSuper will provide: <ul style="list-style-type: none"> <li>• input to Ministerials, complaints and Ombudsman requests where required from the employer;</li> </ul>	Agreement on the timeframe for the provision of information will be made at the point of the request being made by the employer.	<b>As required</b>
<ul style="list-style-type: none"> <li>• assistance with death in service matters; and</li> <li>• responses to ad-hoc requests for membership data and assistance to ADF Pay and Accounting when required.</li> </ul>	Where an agreed timeframe cannot be met all relevant parties will need to be informed of the delay within a period agreed between ComSuper and the Employer.	<b>As required</b>

SERVICE	STANDARD	REPORTING
<b>6. Family Law Services</b>		
<b>6.1 Form 6 requests (1)</b> ComSuper will provide information to enable the correct completion of Form 6 requests.	Provision of information to be provided within twenty-eight (28) calendar days (non-legislative).	<b>Monthly</b>
<b>6.2 Responses to draft court orders and superannuation agreements. (1)</b> ComSuper will review and provide responses to draft court orders/superannuation agreements in a timely manner.	<u>Legislative standard:</u> – review and respond to 100% within twenty-eight (28) Days of receipt of all necessary documentation.	<b>Monthly</b>
<b>6.3 Complex family law enquiries (1)</b> ComSuper will provide responses to complex family law enquiries by members including manual calculations, payment and estimates.	– 100% to be issued with at least an interim response within twenty-eight (28) Days.	<b>Monthly</b>
<b>6.4 Payments Split notices (1)</b> ComSuper will process payments split notices. ComSuper will create separate interests as directed by the Court.	– 100% to be issued within twenty-eight (28) Days.	<b>Monthly</b>
<b>6.5 Family Law ad hoc work (1)</b> ComSuper's Family Law Unit will perform ad hoc work for the MSB Board in relation to member benefits and Family Law interpretation.	Ad-hoc requests by the MSB Board to be responded to within agreed timeframes.	<b>As required</b>

SERVICE	STANDARD	REPORTING
<b>7. Other Services</b>		
<p><b>7.1. Compliance (1)</b></p> <p>ComSuper will ensure, demonstrate and formally attest that it remains compliant with all relevant legislation, such as taxation law, Corporations law, the Superannuation Industry Supervision (SIS) Act and Regulations, the Privacy legislation and all other relevant law and Scheme Rules.</p> <p>ComSuper will ensure the compliance schedules and compliance manuals are maintained and updated.</p> <p>MBS Management to notify ComSuper, in writing, of any breaches (as determined by APRA or ASIC)</p>	<p>ComSuper will maintain compliance manuals and provide quarterly compliance reports (compliance schedules).</p> <p>Reporting by ComSuper CEO detailing the monitoring and supervision of staff.</p> <p>Provide input to the annual and quarterly returns to APRA.</p>	<p><b>Quarterly - within 15 Days of the end of each quarter</b></p> <p><b>Every 6 months (30 June and 31 December)</b></p> <p><b>Within two (2) business days, unless otherwise agreed.</b></p>
<p><b>7.2. Auditing Assurance (1)</b></p> <p>ComSuper will maintain an internal audit function substantially in accordance with the relevant Better Practice Guide issued by the Australian National Audit Office.</p> <p>ComSuper will provide to the MSB Board an annual audited Controls Report (Type B) as defined in Guidance Statement 007 Guidance Statement GS 007 "Audit Implications of the Use of Service Organisations for Investment Management Services", issued by the Auditing and Assurance Standards Board [GS007]. The "service auditor" (defined in GS007) may be ComSuper's internal auditor. The Controls Report will be provided annually in respect of the services provided during the prior financial year (1 July to 30 June).</p> <p>The Controls Report will address Control Objectives relevant to the superannuation member services ComSuper provides to the MSB Board, and essential information technology controls involved in delivering those services. Variations to the exact scope of the Controls Report may be made by informal agreement between the MSB Board and ComSuper. ComSuper will attempt to include in the Controls Report all those controls on which the Fund external auditors seek to rely.</p>	<p>The Controls Report will be delivered, complete with an audit opinion, no later than 16 August for the preceding financial year, and will provide reasonable assurance that ComSuper has achieved the agreed set of Control Objectives. "Reasonable assurance" will be interpreted with regard to the performance expectations established by this Service Level Agreement and by particular arrangements between ComSuper and the MSB Board.</p>	<p>The GS007 Controls Report is the primary report on auditing assurance. ComSuper will also provide periodic updates on progress toward future GS007 Controls Reports, and on other internal and external audit activity.</p>

SERVICE	STANDARD	REPORTING
<p><b>7.3 Fund Reporting (1)</b></p> <p>ComSuper will ensure that mandatory fund reporting requirements are met in regard to the reports listed under the standard.</p> <p>Agreement around the Actuarial Services – information to be reported for MSB Board Financials and other requirements e.g. PCF's and long term cost report.</p>	<p>ComSuper will ensure Fund reporting occurs as follows:</p> <p><u>Lost Member Reporting to ATO:</u></p> <ul style="list-style-type: none"> <li>– By 30 April and 31 October annually</li> </ul> <p><u>Unclaimed Monies Reporting to ATO:</u></p> <ul style="list-style-type: none"> <li>– By 30 April and 31 October annually</li> </ul> <p><u>Eligible Termination Payment (ETP) Reporting</u></p> <ul style="list-style-type: none"> <li>– By 14 August annually</li> </ul> <p><u>Pay As You Go Withholding (PAYGW) Reporting</u></p> <ul style="list-style-type: none"> <li>– By 14 August annually</li> </ul> <p><u>Surcharge reporting including the ATO MCS and AVA reports</u></p> <ul style="list-style-type: none"> <li>– Quarterly by 15 March, 15 June, 15 September and 15 December annually</li> </ul> <p><u>Co-contribution reporting</u></p> <ul style="list-style-type: none"> <li>– Within twenty-eight (28) Days of the creation of the file by the ATO</li> </ul> <p><u>Actuary reporting</u></p> <ul style="list-style-type: none"> <li>– As per timeframe agreed with the Australian Government Actuary</li> </ul> <p><u>Centrelink—pension amounts</u></p> <ul style="list-style-type: none"> <li>– Within two (2) Days of completion of each pension increase each June and December annually</li> </ul> <p><u>Financial statements</u></p> <ul style="list-style-type: none"> <li>– As agreed with MSB Management</li> </ul> <p><u>DVA—increases to invalidity pensions</u></p> <ul style="list-style-type: none"> <li>– within two (2) days of completion of each pension increase each June and December annually.</li> </ul>	<p><b>As required</b></p>
<p><b>7.4 Implementing Change or New Features (1)</b></p> <p>ComSuper undertakes to ensure that it is able to administer the Scheme in accordance with all relevant requirements and standards as well as any ongoing changes to the superannuation system.</p> <p>Defence may require ComSuper to make changes as a result of changes to Policy.</p> <p>The Board may require ComSuper to undertake changes from time to time.</p>	<p>Incidental and incremental changes, required as a result of superannuation system legislative changes, are included as part of this Agreement. Any other funding requirements will be negotiated separately if such changes are required.</p>	<p><b>As per agreed project plan</b></p>

SERVICE	STANDARD	REPORTING
<p><b>7.5 Drafting of Ministerial Responses (1)</b></p> <p>ComSuper will draft Ministerial responses where it is appropriate for it to do so for and on behalf of the parties. ComSuper will liaise with the relevant parties where such correspondence relates to the operations and/or business of either of these parties.</p>	<p>100% of draft Ministerial responses are to be produced in accordance with the requirements of the relevant parliamentary unit.</p>	<p><b>Monthly</b></p>
<p><b>7.6 Secretariat Services to the MSB Reconsideration Committee (1)</b></p> <p>ComSuper are to provide a full secretariat support service and a committee member for the Reconsideration Committee.</p> <p>The cost of providing these secretariat services are detailed a schedule 7 of this SLA.</p>	<p>ComSuper will provide a suitably experienced staff member to the Reconsideration Committee meeting.</p>	<p><b>Annually</b></p>
	<p>ComSuper will provide appropriate secretariat and related administrative services to the Reconsideration Committee.</p>	<p><b>Annually</b></p>
<p><b>7.7 Committee Services for the Invalidation Classification Committee (1)</b></p> <p>ComSuper are to provide a full secretariat support service and related support and a Chairperson for the ICC</p>	<p>ComSuper will nominate/provide a suitably experienced senior member of staff to chair the ICC meeting.</p>	<p><b>Annually</b></p>
	<p>ComSuper will provide appropriate secretariat and related administrative services to the ICC.</p>	<p><b>Annually</b></p>
<p><b>7.8 Creation of Delegations and Authorisations (1)</b></p> <p>ComSuper will ensure that delegations and authorisations are promulgated, understood, adhered to and updated on a regular basis.</p>	<p>Review and updates will be completed six (6) monthly and reported through the Quarterly Compliance Report.</p>	<p><b>Quarterly</b></p>
	<p>Changes to delegations will be submitted to the MSB Board for approval in a timely manner.</p>	<p><b>Quarterly</b></p>
<p><b>7.9 Instructions to Custodian (1)</b></p> <p>ComSuper will provide proper, duly authorised, instructions to the MSB Board's Custodian with regard to the movement of member monies.</p>	<p>ComSuper will email or fax the following information to the MSB Board's Custodian by 2.00 pm each business day:</p> <ul style="list-style-type: none"> <li>- contributions received for the day; and</li> <li>- benefit amounts required to be transferred to the CRF account</li> </ul>	<p><b>Daily</b></p>
	<p>ComSuper will transfer the net cash amount to the MSB Board's Custodian on the same day.</p>	<p><b>Daily</b></p>
	<p>ComSuper will provide the MSB Board's Custodian with cash flow allocation sheets showing daily movement for:</p> <ul style="list-style-type: none"> <li>- contributions received;</li> <li>- benefits paid,</li> <li>- investment option switches made.</li> </ul>	<p><b>Daily</b></p>
	<p>ComSuper will provide the MSB Board's Custodian with a 'Units on Issue' summary for each investment option.</p>	<p><b>Daily</b></p>



SERVICE	STANDARD	REPORTING
<p><b>7.10 Additional QA Activities (1)</b></p> <p>ComSuper will perform quality assurance activities to monitor the integrity and efficiency of its administration processes.</p> <p>ComSuper will undertake the following:</p> <ul style="list-style-type: none"> <li>• Random sampling and quality checking of administrative functions (for example, telephone calls, benefits, contributions, etc)</li> <li>• Produce internal quality reports</li> <li>• Identify and report on system process, procedure and data errors</li> <li>• Data quality activities</li> <li>• Provide reports to Business managers.</li> </ul> <p>ComSuper will produce reports, including reconciliations for appropriate services such as statements.</p> <p>ComSuper will perform two (2) quality audits on selected business areas every six months as agreed to by ComSuper management.</p>	<p>ComSuper will provide a report to the MSB Management illustrating the number of quality audits performed and area of business reviewed.</p> <p>ComSuper will provide a summary report to the MSB Board outlining results of internal audits.</p>	<p><b>Annually</b></p> <p><b>Annually</b></p>
<p><b>7.11 Disaster Recovery and Business Continuity Planning (1)</b></p> <p>All parties will at all times maintain a BCP and DRP testing strategy and complete testing on a regular basis.</p> <p>All parties are to maintain a suitable back-up site for business operations in the event that its main site is ever unavailable.</p>	<p>ComSuper will ensure the following:</p> <ul style="list-style-type: none"> <li>– In the event of a disruptive incident ComSuper commits to ensuring that no more than 48 hours of relevant data will need to be re-entered.</li> <li>– ComSuper to maintain payments to current Pensioners with payments delayed no more than 5 days.</li> <li>– ComSuper and Defence to ensure that complete and up to date member records can be re-established after a disruptive event without compromise to member entitlements.</li> </ul> <p>All parties to complete Disaster Recovery Testing (as per their DR Test Strategy) on an annual basis.</p>	<p><b>Tested and reported Annually via exchange of letters.</b></p>
<p><b>7.12 Optional Administration Services (6)</b></p> <p>For an additional fee ComSuper will negotiate with all parties on any optional services.</p>	<p>Implemented as agreed.</p>	<p><b>Standards will be as agreed between parties</b></p>

# **Schedule 9: DFRDB Statement of Services and Standards**

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## **Services to be provided**

The attached Schedule sets out the Services to be provided by ComSuper to DFRDB Scheme members, including pensioners, on behalf of the DFRDB Authority and the standards that are to be applied to those Services. In delivering the Services, ComSuper will ensure it remains compliant with all relevant legislation.

ComSuper will also undertake an Annual Effectiveness Review (AER) to review achievements against service standards and the DFRDB Authority's goals and objectives for administration. The results of the review will be presented to the DFRDB Authority no later than 30 September each year.

ComSuper will provide Defence with a copy of the AER and the Administrator's report.

Where a standard is not met, ComSuper will provide commentary on the reason the standard was not met.

## **Definitions**

For the purposes of this Schedule:

- 'Administrator' means ComSuper (the business name for Commonwealth Superannuation Administration);
- 'Authority' means DFRDB Authority;
- 'Days' means business days; and
- 'Member' (where relevant) mean members of the DFRDB Scheme.

## **Funding**

Subject to Schedule 7 of this Agreement, the source of funding for each of the Services provided is indicated by the following notes (next to each service):

- (1) Fully funded by an administration charge to Defence;
- (2) Funded by an administration charge to Defence, except the Annual Report to Members, which is funded by the DFRDB Authority;
- (3) Funded by administration charge to Defence, except Legal and Compensation which are funded by Defence Appropriation;
- (4) Funded by an administration charge to Defence, subject to limits in Schedule 7; and
- (5) Funding as otherwise agreed by the Parties.

SERVICE	STANDARD	REPORTING
<b>1. Account Maintenance</b>		
<p><b>1.1 Collection, recording and maintenance of member information (1)</b></p> <p>ComSuper will:</p> <ul style="list-style-type: none"> <li>maintain accurate records of contributing members, deferred benefit members and pensioners to facilitate, among other things, accurate and timely communications, the accurate and timely payment of benefits, various reporting requirements and reconciliation against the DFRDB Scheme accounts; and</li> <li>ensure that adequate systems, procedures and controls are in place to meet the administration and reporting requirements of Privacy legislation.</li> </ul>	<p>Receipt of assurance in the annual management representation letter in respect of the systems used to maintain member records.</p>	<p><b>Annual management representation letter</b></p>
	<p>At the direction and requirement of the DFRDB Authority, arrange for an independent audit of these systems and controls to be undertaken in accordance with appropriate standards.</p>	<p><b>Quarterly</b></p>
	<p>Number of complaints relating to maintenance of member information.</p>	<p><b>Report in the monthly Complaints Report</b></p>
<p><b>1.2 Contributions—collection, recording and maintaining of accounts (1)</b></p> <p>ComSuper will:</p> <ul style="list-style-type: none"> <li>maintain appropriate banking arrangements for the payment of DFRDB contributions and remittances</li> <li>maintain appropriate accounting systems for the recording of contributions received;</li> <li>monitor the collection of contributions and pursue any late remittance of contributions with Defence; and</li> <li>review contribution allocation SLA by 31 October 2011 and advise the DFRDB Authority of impact of ePASS on standard able to be achieved.</li> </ul>	<p>Contributions (including roll-ins) are to be allocated to members accounts:</p> <ul style="list-style-type: none"> <li>95% within four (4) Days of acceptance.</li> </ul>	<p><b>Monthly</b></p>
	<p>Additional information required by ComSuper in order to process the contribution is to be sought:</p> <ul style="list-style-type: none"> <li>98% within 10 Days of receipt of the contributions</li> </ul>	<p><b>Monthly</b></p>
	<p>Contributions received where the individual is no longer a member or the member is not eligible to receive the contributions are to be refunded or transferred from the suspense account:</p> <ul style="list-style-type: none"> <li>No Tax File Number (TFN) - 100% within thirty (30) Days of receipt.</li> <li>Exited members - 98% within thirty (30) Days of receipt.</li> </ul>	<p><b>Monthly</b></p>
	<p>ComSuper will process all surcharge monies and report debit reduction or clearance of debt to the member within 5 Days of receipt of monies.</p>	<p><b>Fortnightly</b></p>

SERVICE	STANDARD	REPORTING
<b>2. Member Communications</b>		
<p><b>2.1 Member Communications(1)</b></p> <p>ComSuper will, at the direction of the DFRDB Authority, undertake a communications program aimed at improving members', preserved benefit members' and pensioners' knowledge and understanding of the Scheme so that they are in a position to make informed decisions at times when these need to be made. This will include recognition of the particular needs of members.</p> <p>Specifically, ComSuper undertakes to provide a range of communications to members on benefit entitlements and queries relating to the general administration of the Scheme in writing, over the phone (using Interactive Voice Recognition (IVR) technology) and by electronic means. ComSuper will continuously seek ways to improve these communications.</p> <p>ComSuper will also provide a range of seminars broadly in accordance with demand, including with respect to associate benefits and to make available various Scheme publications both in hard copy and electronic format.</p> <p>ComSuper will apply Scheme branding for all member communication. This branding will remain as agreed for the term of the SLA.</p>	<p>ComSuper will process or respond to:</p> <p><u>Written enquiries (letters, fax, e-mails):</u></p> <ul style="list-style-type: none"> <li>- 90% in five (5) Days;</li> <li>- 98% in ten (10) Days</li> </ul> <p>Where a standard is not met, ComSuper will provide commentary on the reason the standard was not met.</p>	<p><b>Monthly including average and worst experience</b></p>
	<p><u>Manual calculations:</u></p> <ul style="list-style-type: none"> <li>- 95% in twenty (20) Days; and</li> <li>- 98% in thirty (30) Days</li> </ul> <p>Where a standard is not met, ComSuper will provide commentary on the reason the standard was not met.</p>	<p><b>Monthly</b></p>
	<p><u>One-On-One Information Sessions</u></p> <p>To be delivered to members both in-house when required, and interstate as per the seminar program schedule.</p> <p>The seminar program is as agreed with the ADF Financial Services and Consumer Council and ADF Transition Centre.</p>	<p><b>Monthly</b></p>
	<p><u>Answer Telephones:</u></p> <ul style="list-style-type: none"> <li>- 75% answered in 60 seconds; and</li> <li>- less than 5% abandoned calls</li> </ul>	<p><b>Monthly including average speed of answer, abandoned calls and worst experience</b></p>
<p><b>2.2 Bulk Member Communication (2)</b></p> <p>ComSuper will undertake two major mail outs to relevant members each year including, but not limited to,:</p> <ul style="list-style-type: none"> <li>• an annual member statement and explanatory material (including annual report to members and preservers)</li> </ul> <p>Annual Reports to members in electronic format (and hard copies on request)</p> <p>Bulk member communication will be distributed either through Defence or ComSuper as appropriate and agreed between parties.</p>	<p>Annual Reports for Members and Deferred Benefit Members will be available for distribution by 30 September.</p>	<p><b>Annually</b></p>
	<p>Annual Report to Parliament will be prepared in accordance with the legislated requirements for content and timings.</p>	<p><b>Annually</b></p>

SERVICE	STANDARD	REPORTING
	<u>Annual Member Statements</u> <ul style="list-style-type: none"> <li>- <u>system</u> produced: by 31 October</li> <li>- <u>Manual statements</u>: by 1 December</li> <li>- <u>Replacements</u>: 90% within ten (10) Days</li> <li>- 100% of all member statements are to have been produced and distributed by 31 December to meet the Corporations Act requirement that Statements be distributed by this date annually.</li> </ul>	Annually
<b>2.3 Maintain Publications (1)</b> ComSuper will review, update, maintain and supply a standard suite of agreed products.  Where legislative or regulatory change requires the production of new or additional publications ComSuper will negotiate additional funding with Defence.	Annual review and compliance signoff provided to DFRDB Authority.	Annual review of listed publications
<b>2.4 Maintain Website (1)</b> ComSuper will maintain existing website content to ensure accuracy and currency. ComSuper will conduct an annual compliance review of the web site content.  Maintenance of Website includes: <ul style="list-style-type: none"> <li>• I Estimator</li> <li>• Content review</li> <li>• Page linking</li> <li>• Minor amendments</li> <li>• Minor creation/editing of new pages</li> <li>• Maintenance and update reports</li> </ul> Agreement to be gained between the Executive Manager of Communications, ComSuper and the DFRDB Authority regarding any discrepancies.	<u>Website changes:</u> <ul style="list-style-type: none"> <li>- <u>Critical updates</u>: 2 hours (where update is provided within same day business hours)</li> <li>- <u>Routine updates</u>: 100% in two (2) Days</li> <li>- <u>Other</u>: a review of the website for 'dead links' out of date information, etc</li> </ul>	Next Day  Monthly  Monthly
<b>2.5 Ensuring the availability of website and website services (1)</b> ComSuper will ensure that the website is readily available to members at any hour.	ComSuper to report any anticipated or experienced changes in availability of the website to the DFRDB Authority as soon as practically possible.	As required & Twice Annually (routine)
<b>2.6 Maintaining White Pages telephone book listings for capital cities (1)</b>	Annual updates of any telephone number changes and toll free numbers for capital cities.	Annually

SERVICE	STANDARD	REPORTING
<b>2.7 Hours for member service delivery (1)</b>	ComSuper's hours of service delivery are 9am to 5pm Monday to Friday with the exception of all National and Canberra Public holidays and the Christmas closedown period.	<b>Twice Annually</b>
<b>2.8 Responses to Queries from other Government Agencies (1)</b>	Written correspondence: <ul style="list-style-type: none"> <li>- 90% in ten (10) days</li> </ul> ComSuper will provide commentary on the reason the standard was not met.	<b>Monthly, including average and worst experience.</b>

SERVICE	STANDARD	REPORTING
<b>3. Benefit Payments</b>		
<p><b>3.1 Benefit payments (1)</b></p> <p>ComSuper will process all applications for benefits (lump sum or pension) from contributors and deferred benefit members in a timely manner and in accordance with relevant legislation.</p> <p>Where ComSuper requires additional information in order to process a benefit payment this is to be sought within five (5) Days of ComSuper's receipt of the benefit payment request.</p> <p>ComSuper will create separate interests as required under Family Law and issue payment split notices.</p>	<p>Benefit application processing (providing all necessary information is received):</p> <ul style="list-style-type: none"> <li>- 90% in five (5) Days</li> <li>- 98% in ten (10) Days</li> </ul> <p>ComSuper will provide commentary on the reason the standard was not met.</p>	<p><b>Monthly, including average and worst experience</b></p>
<p><b>3.2 Applications involving questions of dependency (1)</b></p>	<p>Average processing time of 4 Days over a month</p> <p>100% of <u>death benefit</u> claims not paid within ninety (90) Days of the claim being lodged are to be reported to the DFRDB Authority</p> <p>100% of <u>death and invalidity benefit claims</u> not paid within six (6) months of the claim being lodged are to be reported to the DFRDB Authority monthly until paid (excludes those cases where ComSuper is awaiting action from other parties).</p> <p><u>Manual calculations:</u></p> <ul style="list-style-type: none"> <li>- 95% in twenty (20) Days; and</li> <li>- 98% in thirty (30) Days</li> </ul>	<p><b>Quarterly</b></p> <p><b>Quarterly</b></p> <p><b>Quarterly</b></p>
	<p><u>Manual calculations:</u></p> <ul style="list-style-type: none"> <li>- 95% in twenty (20) Days; and</li> <li>- 98% in thirty (30) Days</li> </ul>	<p><b>Monthly</b></p>
	<p>ComSuper will acknowledge and send an application form to the relevant parties in 95% of cases, within two (2) Days of advice of a member's death.</p>	<p><b>Monthly</b></p>
	<p>ComSuper will provide a benefit estimate to eligible persons within five (5) Days of the delegate's determination.</p>	<p><b>Monthly</b></p>
	<p>Applications from eligible dependents on the death of a member are to be approved within ten (10) Days of all relevant material being submitted to process the benefit or pension.</p>	<p><b>Monthly</b></p>
	<p>ComSuper will report to the DFRDB Authority any applications greater than ninety (90) Days old.</p>	<p><b>Monthly</b></p>
	<p>Subject to there being no counter claims, benefit applications will be processed for the next available payday by ComSuper once all necessary information has been received to process the benefit.</p>	<p><b>Monthly</b></p>

SERVICE	STANDARD	REPORTING
<p><b>3.3 Processing invalidity claims (1)</b> In determining invalidity benefits ComSuper will ensure that due process is followed, that claims are processed expeditiously, that legislative requirements are met and that guidelines issued by the Authority are followed.</p>	<p><u>Cases for consideration by delegate:</u></p> <ul style="list-style-type: none"> <li>- To be determined within ten (10) Days of receipt of all required supporting documentation and any additional information that may be required.</li> <li>- A determination will not be made more than ten (10) Days prior to the date of discharge.</li> </ul>	<p><b>Monthly</b></p> <p><b>Monthly</b></p>
	<p><u>Cases for submission to the Committee of Alternates (CoA):</u></p> <ul style="list-style-type: none"> <li>- To be submitted to the next available meeting of the Committee after receipt of supporting documentation* and any additional information that may be required.</li> <li>- Cases will not be submitted to the Committee more than ten (10) Days prior to the date of discharge.</li> </ul> <p>* supporting documentation includes medical documentation, the member's employment experience, advice of conditions causing retirement and confirmation of date and mode of exit.</p> <ul style="list-style-type: none"> <li>- Members are to be formally advised of decisions taken by either a delegate or the Committee within five (5) Days.</li> <li>- Decisions of the Committee of Alternates to be tabled at the first available DFRDB Authority meeting.</li> </ul>	<p><b>Monthly</b></p> <p><b>Monthly</b></p> <p><b>Monthly</b></p> <p><b>Monthly</b></p>
	<p>ComSuper will run regular death matching processes to identify and cease pensions where notification of death of a pensioner has not occurred.</p> <p>Changes to pensioner records will be made within the first available fortnightly pay cycle following receipt of a request e.g. bank account details, address, termination date or change to payment arrangements.</p>	<p><b>Monthly</b></p> <p><b>Monthly</b></p>
<p><b>3.4 Pension variations (1)</b> Monthly death matching</p> <p>Changes to pensioner records</p>	<p>The July increase will be processed for payment on the first payday in July.</p> <p>The January increase will be processed for payment on the first payday in January.</p> <p>A letter and/or newsletter, approved by the DFRDB Authority, will be sent to pensioners advising of the increase before the increase applies.</p>	<p><b>Annually</b></p> <p><b>Annually</b></p> <p><b>Twice Annually</b></p>



SERVICE	STANDARD	REPORTING
<p><b>3.6 Review of invalidity classifications (1)</b></p> <p>ComSuper will periodically review the classification of invalidity pensioners, either of its own volition or at the request of the DFRDB Authority or pensioners.</p>	<p>Medical and requested reviews will be completed within twenty (20) Days of receipt of all relevant information.</p>	<p><b>Quarterly</b></p>
	<p>Cases for submission to the Committee of Alternates will be submitted to next available meeting of the Committee after receipt of all relevant documentation and any additional information that may be required.</p>	<p><b>Quarterly</b></p>
	<p>Members will be formally advised of invalidity review decisions within five (5) Days.</p>	<p><b>Monthly</b></p>
	<p>Decisions of the Committee of Alternates are to be tabled at the first available DFRDB Authority meeting following the Committee of Alternates meeting.</p>	<p><b>As required</b></p>
<p><b>3.7 Annual student pension review (1)</b></p> <p>The Student pension review will be conducted annually by ComSuper to ensure the students over the age of 16 remain eligible for the student pension</p>	<p>This review will be conducted by the first payday in March each year and the result advised to the DFRDB Authority.</p>	<p><b>Annually</b></p>
<p><b>3.8 Pension Payments (1)</b></p> <p>ComSuper will process and make pension payments in accordance with relevant legislation and within any guidelines issued by the DFRDB Authority in relation to such transactions.</p>	<p>Pension payment will be made by fortnightly payments in line with the legislation.</p> <p>Exceptions to this are closedown and public holidays. In these cases payment will be made on the preceding day.</p>	<p><b>Monthly</b></p>

SERVICE	STANDARD	REPORTING
<b>4. Dispute Resolution</b>		
<p><b>4.1 Internal Review (1)</b></p> <p>ComSuper will investigate requests for reconsideration in a thorough, objective, and effective manner in accordance with any guidelines issued by the DFRDB Authority.</p> <p>ComSuper will provide a secretariat service for the Authority.</p> <p>ComSuper will do all things necessary to facilitate the expeditious processing of negligence claims against the Authority.</p>	<p><u>ComSuper will process reconsideration requests:</u></p> <ul style="list-style-type: none"> <li>- 60% in eight (8) months;</li> <li>- 90% in twelve (12) months;</li> <li>- With an average of less than six (6) months for all reconsideration requests; and</li> <li>- ComSuper will ensure that no case has an outstanding action for more than thirty (30) Days unless, a medical examination is pending, or the case has been submitted to the DFRDB Authority for consideration.</li> </ul> <p>Submissions to the DFRDB Authority will be prepared and issued within thirty (30) Days of receipt of all necessary documentation.</p>	<p><b>Monthly</b></p> <p><b>Monthly</b></p>
<p><b>4.2 External Review (3)</b></p> <p>ComSuper will do all things necessary to meet timeframes imposed by the Administrative Appeals Tribunal, the Federal Court and other jurisdictions such as the Human Rights and Equal Opportunity Commission.</p> <p>ComSuper will also inform the DFRDB Authority of the outcome of all external appeals and any implications stemming from these.</p>	<p>Process all external review cases objectively and expeditiously and meet all required statutory timeframes.</p> <p>ComSuper will provide advance copies of submissions to the Administrative Appeals Tribunal to the DFRDB Authority for comment no less than five (5) Days prior to submission to the AAT. All submissions to the AAT require clearance by a Responsible Officer of the DFRDB Authority prior to submission to the AAT.</p> <p>A report outlining the outcome of all external reviews is to be provided to the first DFRDB Authority meeting after decision is handed down.</p>	<p><b>Monthly</b></p> <p><b>Monthly</b></p> <p><b>As required</b></p>
<p><b>4.3 Complaints (1)</b></p> <p>ComSuper will maintain all necessary systems for dealing with SIS registered complaints and representations made by a Minister's office, Parliamentarians and the Commonwealth Ombudsman.</p> <p>ComSuper will seek guidance from the DFRDB Authority on complaints or enquiries where there is some uncertainty about whether the complaint can be considered by the Administrative Appeals Tribunal.</p> <p>ComSuper will provide the DFRDB Authority with a draft of the final response from matters that can be considered by the AAT. The information provided will have undergone checks to ensure technical accuracy.</p> <p>ComSuper will provide sufficient background information to the DFRDB Authority to enable them to make an informed decision and draft a response if required.</p> <p>ComSuper will maintain systems for dealing with requests under the Freedom of Information Act.</p>	<p>ComSuper will provide substantive responses to all complaints (excluding 4.1 internal reviews) including complaints where a draft final response is sent to the DFRDB Authority within twenty (20) Days.</p> <p>For cases requiring external advice or clarification ComSuper will provide an interim response to the member within twenty (20) Days and with resolution within ninety (90) Days and as agreed with the DFRDB Authority.</p> <p><u>Parliamentary/ Ombudsman requests:</u></p> <ul style="list-style-type: none"> <li>- resolve 100% within 20 Days.</li> </ul> <p><u>Freedom of Information (FOI) requests:</u></p> <ul style="list-style-type: none"> <li>- 100% within the statutory timeframe</li> </ul> <p><u>FOI standards:</u></p> <ul style="list-style-type: none"> <li>- 100% of FOI requests are to be acknowledged within ten (10) Days of receipt.</li> <li>- 100% of FOI requests to be formally responded to within thirty (30) Days.</li> </ul>	<p><b>Monthly</b></p> <p><b>Monthly</b></p> <p><b>Monthly</b></p> <p><b>Monthly</b></p> <p><b>Monthly</b></p>

SERVICE	STANDARD	REPORTING
	ComSuper will provide information to the Office of the Privacy Commissioner for inclusion in the Personal Information Digest by the required reporting due date.	<b>Annually</b>
	ComSuper will provide a monthly report to the DFRDB Authority of all complaints received and which have received responses.	<b>Monthly</b>

SERVICE	STANDARD	REPORTING
<b>5. General Employer Support</b>		
<b>5.1 General Support (1)</b> ComSuper will provide: <ul style="list-style-type: none"> <li>• input to Ministerials, complaints and Ombudsman requests where required from the employer;</li> <li>• assistance with death in service matters; and</li> <li>• responses to ad-hoc requests for membership data and assistance to ADF Pay and Accounting when required.</li> </ul>	Agreement on the timeframe for the provision of information will be made at the point of the request being made by the employer.	<b>As required</b>
	Where an agreed timeframe cannot be met all relevant parties will need to be informed of the delay within a period agreed between ComSuper and the Employer.	<b>As required</b>

SERVICE	STANDARD	REPORTING
<b>6. Family Law Services</b>		
<b>6.1 Form 6 requests (1)</b> ComSuper will provide information to enable the correct completion of Form 6 requests.	Provision of information to be provided within twenty-eight (28) Days (non-legislative).	<b>Monthly</b>
<b>6.2 Responses to draft court orders and superannuation agreements (1)</b> ComSuper will review and provide responses to draft court orders/superannuation agreements in a timely manner.	<u>Legislative standard:</u> – review and respond to 100% within twenty-eight (28) Days of receipt of all necessary documentation.	<b>Monthly</b>
<b>6.3 Complex family law enquiries (1)</b> ComSuper will provide responses to complex family law enquiries by members including manual calculations, payment and estimates.	– 100% to be issued with at least an interim response within twenty-eight (28) Days.	<b>Monthly</b>
<b>6.4 Payments Split notices (1)</b> ComSuper will process payments split notices. ComSuper will create separate interests as directed by the Court.	– 100% to be issued within twenty-eight (28) Days.	<b>Monthly</b>
<b>6.5 Family Law ad hoc work (1)</b> ComSuper's Family Law Unit will perform ad hoc work for the DFRDB Authority in relation to member benefits and Family Law interpretation.	Ad-hoc requests by the DFRDB Authority to be responded to within agreed timeframes.	<b>As required</b>

SERVICE	STANDARD	REPORTING
<p data-bbox="225 241 424 271"><b>7. Other Services</b></p> <p data-bbox="225 280 539 309"><b>7.1. Auditing Assurance (1)</b></p> <p data-bbox="225 324 702 434">ComSuper will maintain an internal audit function substantially in accordance with the relevant Better Practice Guide issued by the Australian National Audit Office.</p> <p data-bbox="225 450 722 808">ComSuper will provide to the DFRDB Authority an annual audited Controls Report (Type B) as defined in Guidance Statement 007 Guidance Statement GS 007 "Audit Implications of the Use of Service Organisations for Investment Management Services", issued by the Auditing and Assurance Standards Board [GS007]. The "service auditor" (defined in GS007) may be ComSuper's internal auditor. The Controls Report will be provided annually in respect of the services provided during the prior financial year (1 July to 30 June).</p> <p data-bbox="225 824 715 1155">The Controls Report will address Control Objectives relevant to the superannuation member services ComSuper provides to the DFRDB Authority, and essential information technology controls involved in delivering those services. Variations to the exact scope of the Controls Report may be made by informal agreement between the DFRDB Authority and ComSuper. ComSuper will attempt to include in the Controls Report all those controls on which the Fund external auditors seek to rely.</p>	<p data-bbox="751 288 1276 427">The Controls Report will be delivered, complete with an audit opinion, no later than 16 August for the preceding financial year, and will provide reasonable assurance that ComSuper has achieved the agreed set of Control Objectives.</p> <p data-bbox="751 443 1278 582">"Reasonable assurance" will be interpreted with regard to the performance expectations established by this Service Level Agreement and by particular arrangements between ComSuper and the DFRDB Authority.</p>	<p data-bbox="1302 288 1501 701">The GS007 Controls Report is the primary report on auditing assurance. ComSuper will also provide periodic updates on progress toward future GS007 Controls Reports, and on other internal and external audit activity.</p>

SERVICE	STANDARD	REPORTING
<p><b>7.2 Scheme Reporting (1)</b> ComSuper will ensure that mandatory scheme reporting requirements are met in regards to the reports listed under the standard.</p> <p>Agreement around the Actuarial Services – information to be reported for DFRDB Authority Financials and other requirements e.g. PCF's and long term cost report.</p>	<p>ComSuper will ensure scheme reporting occurs as follows:</p> <p><u>Lost Member Reporting:</u></p> <ul style="list-style-type: none"> <li>– By 30 April and 31 October annually</li> </ul> <p><u>Unclaimed Monies Reporting</u></p> <ul style="list-style-type: none"> <li>– By 30 April and 31 October annually</li> </ul> <p><u>Eligible Termination Payment (ETP) Reporting</u></p> <ul style="list-style-type: none"> <li>– By 14 August annually</li> </ul> <p><u>Pay As You Go Withholding (PAYGW) Reporting</u></p> <ul style="list-style-type: none"> <li>– By 14 August annually</li> </ul> <p><u>Surcharge reporting including the ATO MCS and AVA reports</u></p> <ul style="list-style-type: none"> <li>– Quarterly by 15 March, 15 June, 15 September and 15 December annually</li> </ul> <p><u>Co-contribution reporting</u></p> <ul style="list-style-type: none"> <li>– Within twenty-eight (28) Days of the creation of the file by the ATO</li> </ul> <p><u>Actuary reporting</u></p> <ul style="list-style-type: none"> <li>– As per timeframe agreed with the Australian Government Actuary.</li> </ul> <p><u>Centrelink—pension amounts</u></p> <ul style="list-style-type: none"> <li>– within two (2) Days of completion of each pension increase each June and December annually</li> </ul> <p><u>Financial statements</u></p> <ul style="list-style-type: none"> <li>– As agreed with the DFRDB Authority</li> </ul> <p><u>DVA—increases to invalidity pensions</u></p> <ul style="list-style-type: none"> <li>– within two (2) days of completion of each pension increase each June and July annually.</li> </ul>	<p><b>As required</b></p> <p><b>First reporting period after due date</b></p>
<p><b>7.3 DFRDB Authority Reporting (1)</b></p> <p>ComSuper will provide detailed reporting on the function it performs on behalf of the DFRDB Authority. This will include, but not be limited to, attending relevant meetings (as requested) and providing regular reporting.</p> <p>Reporting will cover performance to standard and issues arising in the course of administering the Scheme.</p> <p>ComSuper will attend, brief and provide papers/reports to DFRDB Authority meetings and the MSCC as agreed with the Authority.</p>	<p>ComSuper will provide:</p> <ul style="list-style-type: none"> <li>– detailed Administrator's report as required,</li> <li>– a report on quality of service delivery provided by ComSuper</li> </ul>	<p><b>Quarterly</b></p>

SERVICE	STANDARD	REPORTING
<p><b>7.4 Implementing Change or New Features (1)</b></p> <p>ComSuper undertakes to ensure that it is able to administer the Scheme in accordance with all relevant requirements and standards as well as any ongoing changes to the superannuation system.</p> <p>Defence may require ComSuper to make changes as a result of changes to Policy.</p> <p>The DFRDB Authority may require ComSuper to undertake changes from time to time.</p>	<p>Incidental and incremental changes, required as a result of superannuation system legislative changes, are included as part of this Agreement.</p> <p>Any other funding requirements will be negotiated separately if such changes are required.</p>	<p><b>As per agreed project plan</b></p>
<p><b>7.5 Drafting of Ministerial Responses (1)</b></p> <p>ComSuper will draft Ministerial responses where it is appropriate and apt for it to do so for and on behalf of the Parties. ComSuper will liaise with the relevant Parties where such correspondence relates to the operations and/or business of either of these parties.</p>	<p>100% of draft Ministerial responses are to be produced in accordance with the requirements of the relevant parliamentary unit.</p>	<p><b>Monthly</b></p>
<p><b>7.6 Committee Services for the Committee of Alternates (CoA) (1)</b></p> <p>ComSuper will provide secretariat support and a Chair person for the CoA</p>	<p>ComSuper will provide staff to chair the Committee of Alternates (CoA) meetings where required.</p>	
<p><b>7.7 Secretariat Services (1)</b></p> <p>ComSuper are to provide a full secretariat support service for the DFRDB Authority.</p> <p>The cost of providing these secretariat services are detailed a schedule 7 of this SLA.</p>	<p>ComSuper will provide appropriate secretariat and related administrative services for DFRDB Authority meetings.</p>	
<p><b>7.8 Creation of Delegations and Authorisations (1)</b></p> <p>ComSuper will ensure that delegations and authorisations are promulgated, understood, adhered to and updated on a regular basis.</p>	<p>Review and updates will be completed six (6) monthly..</p> <p>Changes to delegations will be submitted to the DFRDB Authority for approval in a timely manner.</p>	<p><b>Quarterly</b></p>
<p><b>7.9 Additional QA Activities (1)</b></p> <p>ComSuper will perform quality assurance activities to monitor the integrity and efficiency of its administration processes.</p> <p>ComSuper will undertake the following: :</p> <ul style="list-style-type: none"> <li>• Random sampling and quality checking of administrative functions (for example, telephone calls, benefits, contributions, etc)</li> <li>• Produce internal quality reports</li> <li>• Identify and report on system process, procedure and data errors</li> <li>• Data quality activities</li> <li>• Provide reports to Business managers.</li> </ul> <p>ComSuper will produce reports, including reconciliations for appropriate services such as statements.</p> <p>ComSuper will perform two (2) quality audits on selected business areas every six months as agreed to by ComSuper management.</p>	<p>ComSuper will provide a report to the DFRDB Authority illustrating the number of quality audits performed and area of business reviewed.</p>	<p><b>Quarterly</b></p>
	<p>ComSuper will provide a summary report to the DFRDB Authority outlining results of internal audits.</p>	<p><b>Twice Annually</b></p>



SERVICE	STANDARD	REPORTING
<p><b>7.10 Disaster Recovery and Business Continuity Planning (1)</b></p> <p>All parties will at all times maintain a BCP and DRP testing strategy and complete testing on a regular basis.</p> <p>All parties will at all times maintain a suitable back-up site for ComSuper's business operations in the event that its main site is ever unavailable.</p>	<p>ComSuper will ensure the following;</p> <ul style="list-style-type: none"> <li>- In the event of a disruptive incident ComSuper commits to ensuring that no more than 48 hours of relevant data will need to be re-entered.</li> <li>- ComSuper to maintain payments to current Pensioners with payments delayed no more than 5 days.</li> <li>- ComSuper and Defence to ensure that complete and up to date member records can be re-established after a disruptive event without compromise to member entitlements.</li> </ul> <p>All parties to complete Disaster Recovery Testing (as per their DR Test Strategy) on an annual basis.</p>	<p><b>Tested and reported annually via exchange of letters</b></p>
<p><b>7.11 Optional Administration Services (5)</b></p> <p>For an additional fee ComSuper will negotiate will all parties on any optional services.</p>	<p>Implemented as requested.</p>	<p><b>Standards will be as agreed between parties</b></p>

# **Schedule 10: ComSuper Overall Performance Measure—Method of Calculation**

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On a monthly basis ComSuper will calculate an overall measure of its performance against the standards contained in this Agreement.

The performance measure will be a percentage figure where:

- 100% represents that all service standards have been met within the month
- 0% corresponds to no service standards being met within the month.

Where some service standards are not met during a month the overall period performance will be calculated as:

- 100% less
- A deduction for each service standard not met during the month equal to the weighting agreed by the MSB Board and ComSuper to that particular standard.

For this purpose the MSB Board and DFRDB Authority will assign a weighting for each of the service standards contained in this agreement such that the total of all weightings assigned equals 100.

When a standard has not been met for a particular month the deduction from a performance measure of 100% to be made for that month will be exactly equal to the weighting assigned for that standard. No adjustment will be made for the degree to which actual performance exceeds or falls short of the requirement for any standard.

When a standard is not required to be measured during a month, for example in the case of a standard that is measured by way of a six-monthly audit requirement, that standard will be ignored for the purposes of the overall performance calculation for that month.

# **Schedule 11: MSB Board Performance Assessment of ComSuper**

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In undertaking its review of ComSuper's overall performance the MSB Board will have regard to ComSuper's reporting against both the quantitative performance measures contained in this agreement (as per Schedule 10) and a qualitative assessment based on the following criteria:

- Absence of significant repeat errors in relation to complaints of services performed within Schedules 8;
- Absence of repeat, reportable breaches;
- Absence of sustained claims against the MSB Board due to administrative error of ComSuper that give rise to losses to the Fund;
- Unqualified Audit opinions on the Scheme Financial Statements (where within the control of ComSuper);
- Accuracy of reporting to the MSB Board on SIS and Corporations Law issues; and
- Provision of well researched Board Papers.

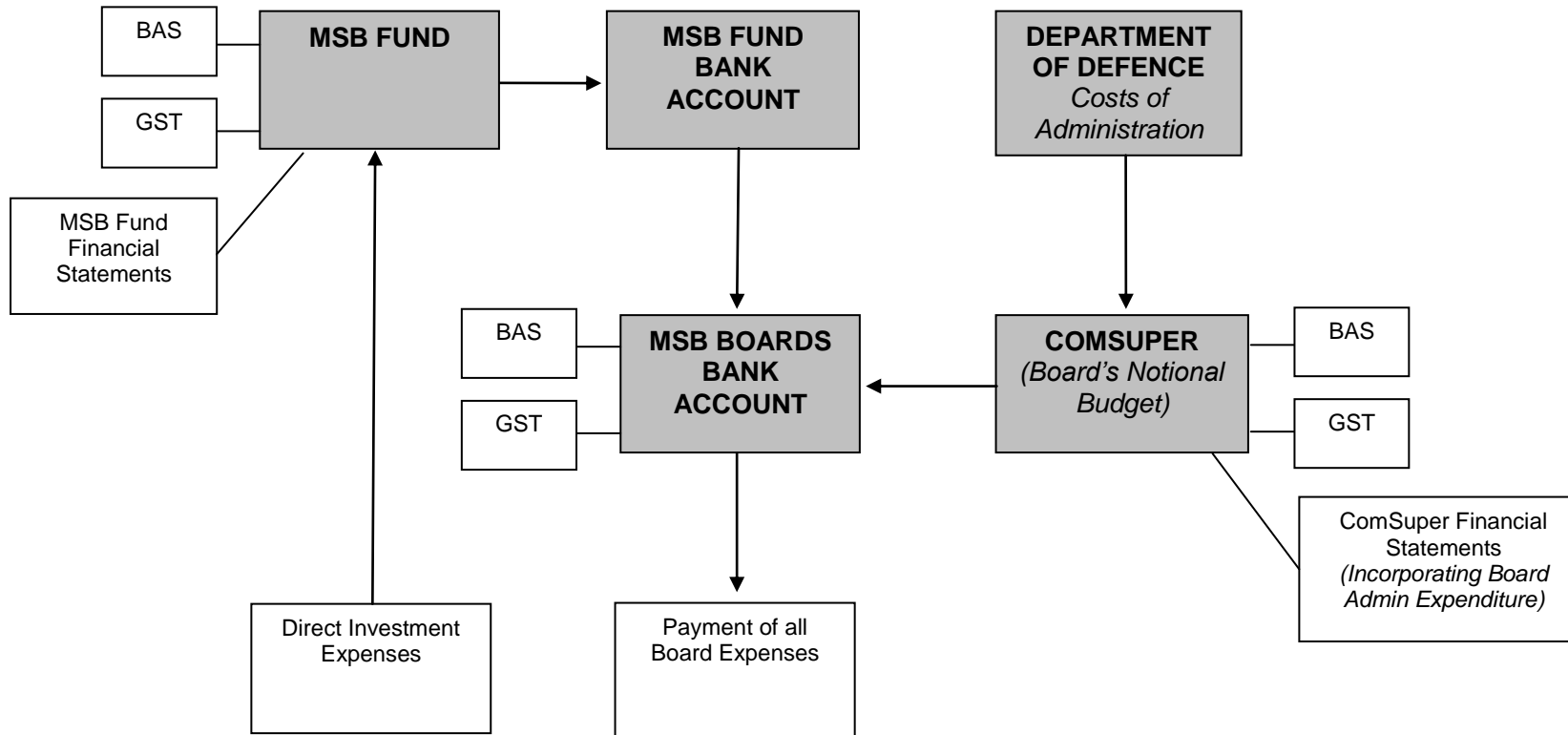
The qualitative assessment will represent the Board's overall assessment of ComSuper's performance during the year. It will have regard to, but not be limited to the extent to which:

- the current state of ComSuper's IT systems, including these system's capacities and ability to effectively and efficiently manage the core requirements of the MSB Board in respect of Administration Services as outlined in this Agreement, are effective;
- ComSuper's culture is one of actively identifying, rectifying and reducing existing or anticipated systems and operational deficiencies and practices;
- its staff display a 'can do' attitude and approach to its work and its relationship with the MSB Board; and
- ComSuper espouses and promotes within its organisation a "no surprises" ethos towards its relationship with the MSB Board.

This assessment will be provided independently to the Minister for Finance and Deregulation and the Department of Defence on an annual basis.

# Schedule 12: Funding Arrangements Diagram

MSB Board Expenditure—Flowchart



MSB Board Expenses:

Fund Only: Scheme Accounting, Chairman's costs, Annual Reports, Investment related costs  
 Fund/Admin: Trustee costs, Board Exec Salaries, Travel, TA, operating costs, stores and stationery  
 Admin Only: Non fund related expenditure