

Your guide to policy committees

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About policy committees

Let's dive into the essential aspects of establishing and managing a policy committee.

What's a policy committee?

A group of two to six members with an equal number of employer-appointed and member-elected representatives who meet at least once a year to talk all things super plan related.

Despite the name, it's not just about policy. Your policy committee is the bridge between your employer plan, its members, and the trustee (in this case, that's Mercer Superannuation (Australia) Limited ("Trustee"), is the Trustee of the Virgin Money Super plan).

Do I really need one?

The Superannuation Industry (Supervision) ("SIS") Regulations requires the Trustee to make best endeavours to establish a Policy Committee for employer plans with 50 or more members.

If you have 49 members or fewer, your employees don't have to miss out. The Trustee will establish a policy committee as long as at least five members make a written request to the Trustee to establish one.

What does the policy committee do?

Your policy committee makes sure your employer super plan is shipshape and meeting needs of plan members and Trustee, by:

- Keeping us, the Trustee, in the loop about any member or employer concerns
- Giving you and plan members a place to raise anything we should know, including:
 - What members think of the plan and if there's any information they need from us that they're not getting
 - Member inquiries or concerns about the plan's operations, investment strategy and performance
 - Member questions, issues or complaints about the management their plan.

Whilst the policy committee is an advisory body only, it has a very important role in ensuring the Trustee is provided with relevant information in relation to the plan, with its views taken into account and considered by the Trustee.

Who is needed for a policy committee?

Superannuation law requires the policy committee to consist of equal numbers of employer representatives and member representatives.

The employer selects the employer representatives, and the employees/members of the plan elect the member representatives. There must be equal numbers of employer-appointed representatives and member-elected representatives.

What should representatives of the policy committee do?

Policy committee representatives are required to:

- attend policy committee meetings which are held once within a 12-month period
- provide input into agenda items
- ensure the committee operates within the applicable rules

All representatives have an obligation to perform their duties with an appropriate degree of care, skill and diligence. This includes putting forward the questions or concerns of members or their beneficiaries regarding the operation and management of the plan.

How long do committee members serve?

Employer representatives can serve for as long as they are happy to do so.

Member representatives generally serve for a period of three years. However, member representatives will cease to hold office sooner if he or she:

- stops working for your company or being a member of the plan;
- becomes ineligible under the law;
- resigns as a member representative, or
- is asked to leave through a written notice to the Trustee, signed by the majority of members.

At a minimum, elections must be conducted every three years. A retired member representative, who is still a member of the plan, is eligible for re-election post their 3-year service.

Who can be a member representative?

Any current members of the super plan can be nominated as a member representative if they are 18 years or older, and are not disqualified or suspended.

Disqualification under SIS means a person:

- are convicted of an offence involving dishonest conduct, or
- have a SIS civil penalty order made against them, or
- are an insolvent under administration.

Setting things up

Inform the Trustee and appoint employer representatives

Employer representatives should be appointed as soon as possible after a decision is made to start a policy committee for your plan and you should advise the Trustee in writing to kick off the member representatives' nomination and election process.

The member representative nomination process

The employer should inform members of the plan that a policy committee is needed and issue a call for nominations by providing the nomination form to members along with a timeline to have them returned to the Returning officer.

Each nominator must:

- complete and sign a nomination form,
- have the candidate complete and sign the form, and
- find supporting plan members to also sign the nomination form.

Only members of the employer plan can be nominated. A plan member cannot nominate or second more than one candidate and they cannot nominate or second themselves.

Nominees can also complete a candidate statement. They don't have to, but it may help other members make a decision.

If there aren't enough nominations to fill the available places, you can reissue the nomination forms.

The member representative election process

When the number of nominations received equals the number of vacancies, candidates are elected unopposed, and the new committee is formed and announced to the members of the employer plan.

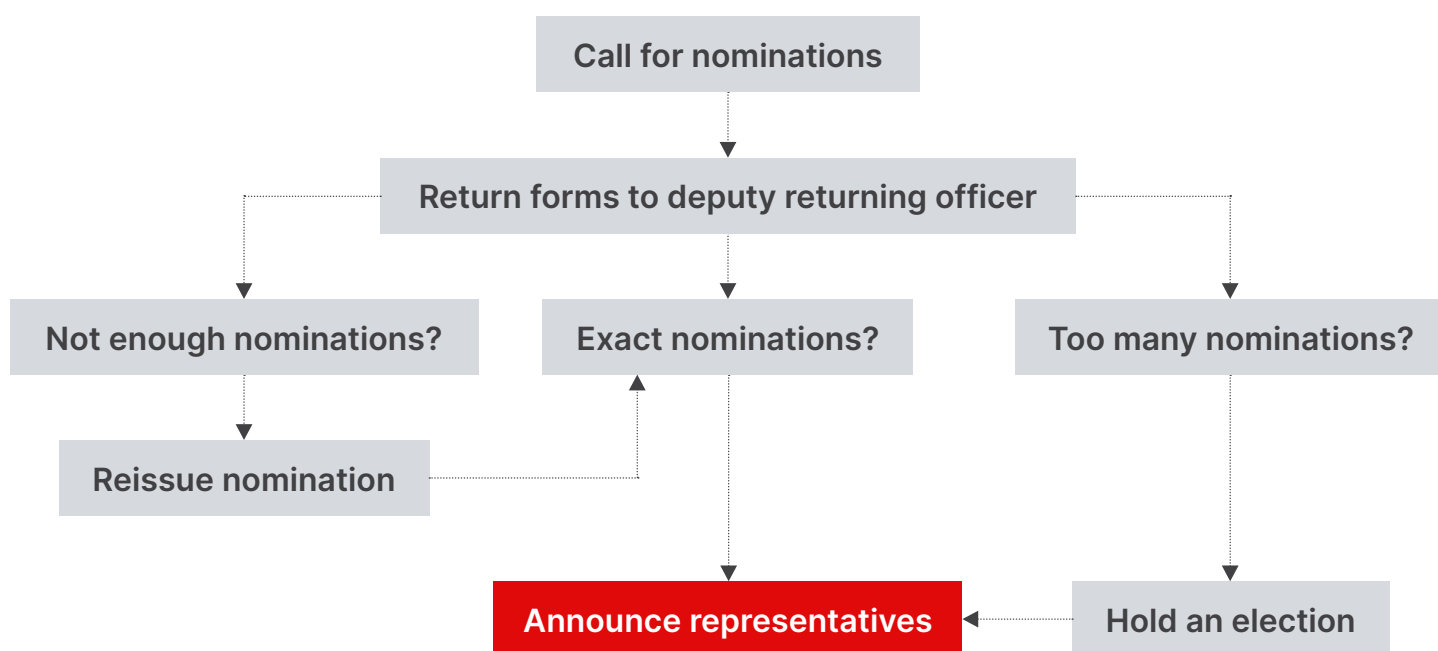
If there are more nominations than available places, you'll need to hold an election by sending out a ballot paper and instructions to your plan members, along with a voting timeframe to have the ballot returned to the Returning officer. The nominees who receive the highest number of votes will be elected. The new committee members are then announced to members of the employer plan.

All documents should be kept for at least seven years. If a nominee contests a result, there can be a recount.

Who decides the outcome of the election?

The Returning officer from Mercer (Australia) Pty Ltd and the deputy will make sure the election is conducted fairly and in line with the rules.

Nomination and election process



Running a committee

Once you've set up your policy committee and have representatives on board, it's time to talk policy – and everything else related to your super plan. Here's how to keep things running smoothly.

Housekeeping

The Trustee will appoint a Deputy Returning officer as a Trustee representative who will help coordinate meetings and ensure both duties of the Trustee and representatives are met.

The committee will need to nominate a Chairperson and Record Keeper for the committee. These two roles can be filled by either Employer or Member representatives. Decide on how often the meeting will be held each year (at least once a year).

Set the date and agenda

A meeting agenda should be set by the representatives, approved by the Chairperson, and distributed to all policy committee representatives and other relevant parties. This should be done at least two weeks before the meeting.

The Trustee representative attending the meeting should be advised of agenda items and any questions they may be asked to answer.

Host the meeting

During the meeting the Record Keeper will take note of the attendees including any absentees. The committee should discuss all points on the agenda and the Record Keeper will record minutes. The time and date of the next meeting will be decided before the meeting ends.

Post the meeting

The meeting minutes must be verified and signed by the Chairperson and Record Keeper as an accurate account of the meeting. These should be sent to the Trustee within 30 days of the meeting.

Any important issues concerning the Trustee should be advised at the same time.

FAQs

How often should the policy committee meet?

You can meet in person or remotely as often as you like – as long as it's at least once a year.

How many people need to be at the meeting?

The meeting can go ahead as long as there's at least one member representative and one employer representative. In this scenario, one member will assume the role of Chairperson and the other as Record Keeper for the meeting.

What if a representative leaves?

You can remove and replace an employer representative at any time, by sending a written notice to the trustee. This needs to be done within 30 days.

A member representative will need to step down once their term is over. If a member representative leaves, you have 90 days to find a replacement. You can do this by:

- starting a new nomination process, or
- offering the appointment to the unsuccessful candidate with the most votes from the last election, subject to their consent.

Can a policy committee be dissolved?

If the policy committee determines that it is no longer required for their plan, it can choose to dissolve the committee by notifying the Trustee in writing. Members of the plan should be advised of any proposal to dissolve a committee first. A new policy committee can be established in the future should plan members wish to do so.

Can policy committee representatives be held liable?

The policy committee will assist the Trustee in better understanding the views of members on their information needs and help it in dealing with issues and inquiries about the operation and management of the plan. It doesn't have any power to tell the Trustee how to operate the super fund. However, as policy representatives interact with plan members, they potentially could be considered liable if:

- they give members wrong or misleading information, or
- they offer what could be considered financial product advice to members.

To reduce the risk of any legal action taken against representatives, make sure your policy committee representatives direct members to the Virgin Money Super Customer Care team on 1300 652 770 if they have any questions about their super or how their plan is operated.

Neither Virgin Money Super nor the Trustee provides insurance cover to policy committee members. Nominees should check if they're covered by their employer's professional indemnity insurance in their role as policy committee representatives.

How do employees become nominated to be a member representative?

The employer will inform members that a policy committee is needed and issue a call for nominations by providing the nomination form to members.

Employees that are interested in becoming a member representative should speak to other members of the fund and ask their colleagues to nominate them by completing a nomination form.

Remember:

- Only members of the employer plan can be nominated.
- A member cannot nominate or second more than one candidate and they cannot nominate or second themselves.
- Nominees can also complete a candidate statement.

We're here to help

If you need any further assistance, you can speak with one of our friendly Customer Care team on **1300 855 040**, Monday to Friday 9am-5pm (AEST/AEDT).



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