

Fact sheet: Voluntary medical retirement scheme

This fact sheet has been developed to provide further information and support public sector entities in understanding and deciding whether to participate in the voluntary medical retirement (VMR) scheme.

Employees should contact their local human resource department to confirm whether the VMR scheme applies to their entity or not.

Overview

The VMR scheme is a compassionate, employee-driven option that assists an employee to retire early on medical grounds. It can apply where the employee has become ill or injured to a point where they are unable to continue working in their role, and opportunities to maintain employment have been unsuccessful or are not achievable. This is a separate framework to the process provided for under chapter 3, part 8, division 5 (Mental or physical incapacity) of the *Public Sector Act 2022* (the Act).

The scheme provides that an employee may apply for a VMR package if they:

1. are a permanent public sector employee employed in a participating entity (entity participation is on an opt-in basis, please read on below for further information), and
2. can provide medical evidence (including one specialist medical opinion) that they have an injury or illness that prevents (or is likely to prevent) them from continuing in or returning to their substantive role or other roles for which they are reasonably qualified.

The employee is responsible for obtaining the medical advice including any associated cost.

Where an offer is made, the VMR package will include:

1. an employee's accrued recreation and long service leave, and
2. a severance payment of two weeks full-time pay per full-time equivalent year of service and a proportionate amount for an incomplete year of service paid at the employee's substantive appointed level (maximum 52 weeks).

Should a person who has received a VMR package recover in the future, the Voluntary Medical Retirement Scheme (Directive 06/24) (the directive) enables a person to be re-engaged as a consultant, contractor or employee in a Queensland Government entity where certain conditions are met. There are also repayment obligations in certain circumstances.

Benefits

The VMR scheme:

- allows employees to initiate the process, including liaising with their treating medical specialist/s
- facilitates a collaborative approach between the employee and entity to support employees who are unable to continue employment due to illness or injury
- provides some financial support due to illness or injury, which may encourage early identification by employees

- has the potential to reduce the impact and cost of managing employees with serious illness or injury in the workplace. These costs may include:
 - decreased productivity, delays and interruptions to services
 - sick leave, inability to recruit to full-time equivalent positions, relief staff, overtime due to unplanned absences and retraining
 - seeking independent medical advice and associated administrative costs to manage the process in accordance with the directive relating to independent medical examinations.

Costs

The VMR scheme is not covered by any central funding. All costs associated with implementing the VMR scheme under the directive need to be met by each participating entity within their own existing budget.

How entities can participate or withdraw from the scheme

Entity participation is on an opt-in basis and entities may choose to opt-out of the VMR scheme at any time. The updated directive has broadened the scope to public sector entities who may now choose to participate.

An entity can make a request to participate by the chief executive writing to the Public Sector Commissioner (Commissioner) (email is sufficient). Once approved, the Public Sector Commission (PSC) will confirm the approval with the entity and add the entity to the list of participating entities published on the directive webpage.

Participating entities can withdraw from the VMR scheme by their chief executive writing to the Commissioner advising of the decision to withdraw from the VMR scheme (email sufficient). Action will then be taken by the PSC to remove the entity from the list of participating entities published on the directive webpage.

Entities seeking to withdraw from the VMR scheme should note the directive includes a transitional arrangement which provides that any application made prior to the participating entity withdrawing from the VMR scheme, must be decided under the directive.

Requests to participate or withdraw from the VMR scheme can be made by emailing the Commissioner at commission.psc@psc.qld.gov.au.

Machinery of Government changes

A Machinery of Government (MoG) change usually results in the transfer of specific functions and legislative responsibilities from one department to another. This also involves the transfer of assets and liabilities between departments.¹

MoG changes may include:

- the abolition of existing departments with all responsibilities transferred to other departments
- the creation of new departments
- changes to the functions, outputs or resources within existing departments.

Where there are significant changes, for example a change to department name or the abolishment or creation of a new department, the chief executive or chief human resource officer (on behalf of the chief executive) should confirm ongoing intentions to apply the VMR scheme to their entity in its entirety. This can be confirmed by writing to the Commissioner at commission.psc@psc.qld.gov.au and the directive webpage will be updated.

¹ [Checklist for managing machinery of government changes \(gao.qld.gov.au\)](https://www.gao.qld.gov.au)

Where a department acquires a function (outside of a significant MoG process), there is no requirement for the chief executive or chief human resource officer to confirm their intentions by writing to the Commissioner. The employees who have transitioned over to the participating entity will automatically be covered by the VMR scheme. However, it would be prudent for these departments to consider the new operating environment that has been created through acquiring a new function to determine whether there is any change required in relation to their ongoing participation in the VMR scheme. Some relevant considerations may include how many employees have transitioned over and what is the new total FTE of the department.

Further Information

The CaPE and HR Assist service is available to Queensland public sector human resource and industrial relations practitioners to discuss the VMR settings further and assist with questions about application or implementation of the VMR scheme. These enquiries should be submitted through the CaPE and HR Assist [online enquiry form](#).