

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend various public sector superannuation Acts as follows:

- (a) to enable the SAS Trustee Corporation (STC) to reduce benefits under public sector defined benefit superannuation schemes if STC has been required to pay additional tax on superannuation contributions because the member or contributor concerned has failed to provide his or her tax file number to STC,
- (b) to update existing provisions enabling certain death benefits to be increased after being previously reduced to offset contributions tax liabilities,
- (c) to enable former contributors to the State Authorities Superannuation Fund to retain their benefits in that Fund after the benefits become payable,
- (d) to provide for the effect on additional benefits cover under the State Authorities Superannuation Scheme for ambulance officers who are covered for death or incapacity benefits under an award,
- (e) to make other consequential amendments and to provide for savings and transitional provisions consequent on the Bill.

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Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

Restoration of certain death benefits

Schedules 1 [1] and [2], 2 [1] and [2], 3 [1] and [2] and 4 [1] and [2] amend the Police Regulation (Superannuation) Act 1906, the State Authorities Non-contributory Superannuation Act 1987, the State Authorities Superannuation Act 1987 and the Superannuation Act 1916 to update references to Commonwealth legislation that enables STC to claim a tax deduction if certain death benefits, previously reduced because of tax liabilities, are restored. The amendments also provide that the amount of the increase in the benefits is to be the amount determined by STC, after obtaining actuarial advice, as the amount of increase necessary to obtain the deduction.

Reduction of benefits for additional tax on contributions

Schedules 1 [5], 2 [3], 3 [3] and 4 [4] amend the Police Regulation (Superannuation) Act 1906, the State Authorities Non-contributory Superannuation Act 1987, the State Authorities Superannuation Act 1987 and the Superannuation Act 1916 to enable STC to reduce benefits payable in respect of employees and contributors and former employees and contributors under those Acts. The benefits are to be reduced by the amount of any no-TFN tax liability incurred by STC for the employer-financed portion of the benefits (including any salary sacrifice contributions). The no-TFN tax liability is the difference between the general rate of tax payable on employer contributions by STC and the higher rate payable on employer contributions for employees if information about their tax file numbers is not provided. STC is to determine the amount after obtaining actuarial advice. The lump sum benefit payable under the State Authorities Non-contributory Superannuation Act 1987 may also be reduced to offset the liability.

Schedules 1 [3] and [4] and 4 [3] and [5] make consequential amendments to those Acts.

Retention of benefits in State Authorities Superannuation Fund

Schedule 3 [5] amends the State Authorities Superannuation Act 1987 to enable a person who reaches the retirement age for the State Authorities Superannuation

Scheme and who has a benefit deferred or preserved in the State Authorities Superannuation Fund to elect to retain the benefit in the Fund. Currently, any such person is required to be paid the benefit or have it paid to the First State Superannuation Fund or another complying superannuation fund.

Schedule 3 [4], [6] and [7] make consequential amendments.

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Death or incapacity benefits for ambulance officers

Schedule 3 [8] inserts proposed Part 5E (sections 46AL–46AN) into the State Authorities Superannuation Act 1987. The proposed Part provides for regulations to be made as to the effect on coverage for the additional benefit (payable on death before early retirement age or on total and permanent invalidity before early retirement age) of a contributor or former contributor who is covered for a death or incapacity benefit under an ambulance officers award. The regulations may be inconsistent with provisions of the Act if this is necessary for compliance with or giving effect to the ambulance officers award.

Savings and transitional provisions

Schedules 1 [6], 2 [4], 3 [9] and 4 [6] amend the Police Regulation (Superannuation) Act 1906, the State Authorities Non-contributory Superannuation Act 1987, the State Authorities Superannuation Act 1987 and the Superannuation Act 1916 to enable regulations to be made containing savings and transitional provisions consequent on the enactment of the proposed Act.