

FIRST PRINT

**STATE AUTHORITIES SUPERANNUATION (SCHEME
CLOSURE) AMENDMENT BILL 1992**

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

This Bill is cognate with the First State Superannuation Bill 1992.

The object of this Bill is to close the superannuation scheme established under the State Authorities Superannuation Act 1987 to new entrants as from 16 August 1992.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides that the proposed Act commences on the date of assent.

Clause 3 is a formal provision giving effect to Schedule 1 which amends the State Authorities Superannuation Act 1987.

SCHEDULE 1—AMENDMENTS

Schedule 1 (1) inserts new sections 2A–2E.

New section 2A provides that an employee is not entitled to elect to contribute to the State Authorities Superannuation Fund on or after 16 August 1992 (the date on which the closure of the State Authorities Superannuation Scheme was announced). However, an employee who lodged an election to contribute with the Board or his or her employer before the closure date is taken to have elected to contribute before that date. An election on or after that date has no effect.

New section 2B provides for a benefit to be preserved in the Fund for persons who elect to contribute to the Fund on or after 16 August 1992 but are not entitled to become contributors because of the operation of new section 2A. The section also sets out the circumstances in which the preserved benefit is payable.

New section 2C provides that, for the purpose only of calculating the benefit preserved under section 2B, an election made by a person to contribute to the Fund that has not taken effect when the proposed Act commences is to take effect when the proposed Act commences.

State Authorities Superannuation (Scheme Closure) Amendment 1992

New section 2D makes it clear that the Scheme's closure does not prevent a current contributor from making an election under section 30 to resume contributing to the Fund, after a small break in employment.

New section 2E makes it clear that the Scheme's closure does not prevent a person who has preserved or deferred part of a benefit under Part 2 of Schedule 5 of the Act or under Division 3B of Part 4 of the Superannuation Act 1916, or who does so in the future, from electing to contribute to the Fund. A benefit may be preserved under those provisions on a reduction of salary after age 55.

Schedule 1 (2) omits clause 3 of Schedule 2 which was inserted by order of the Governor on 24 August 1992 to exclude from the Act all persons who were not contributors or who had not elected to contribute to the Fund before 16 August 1992.

Although the order was declared invalid by the Supreme Court on 21 October 1992, the amendment is made for formal purposes.

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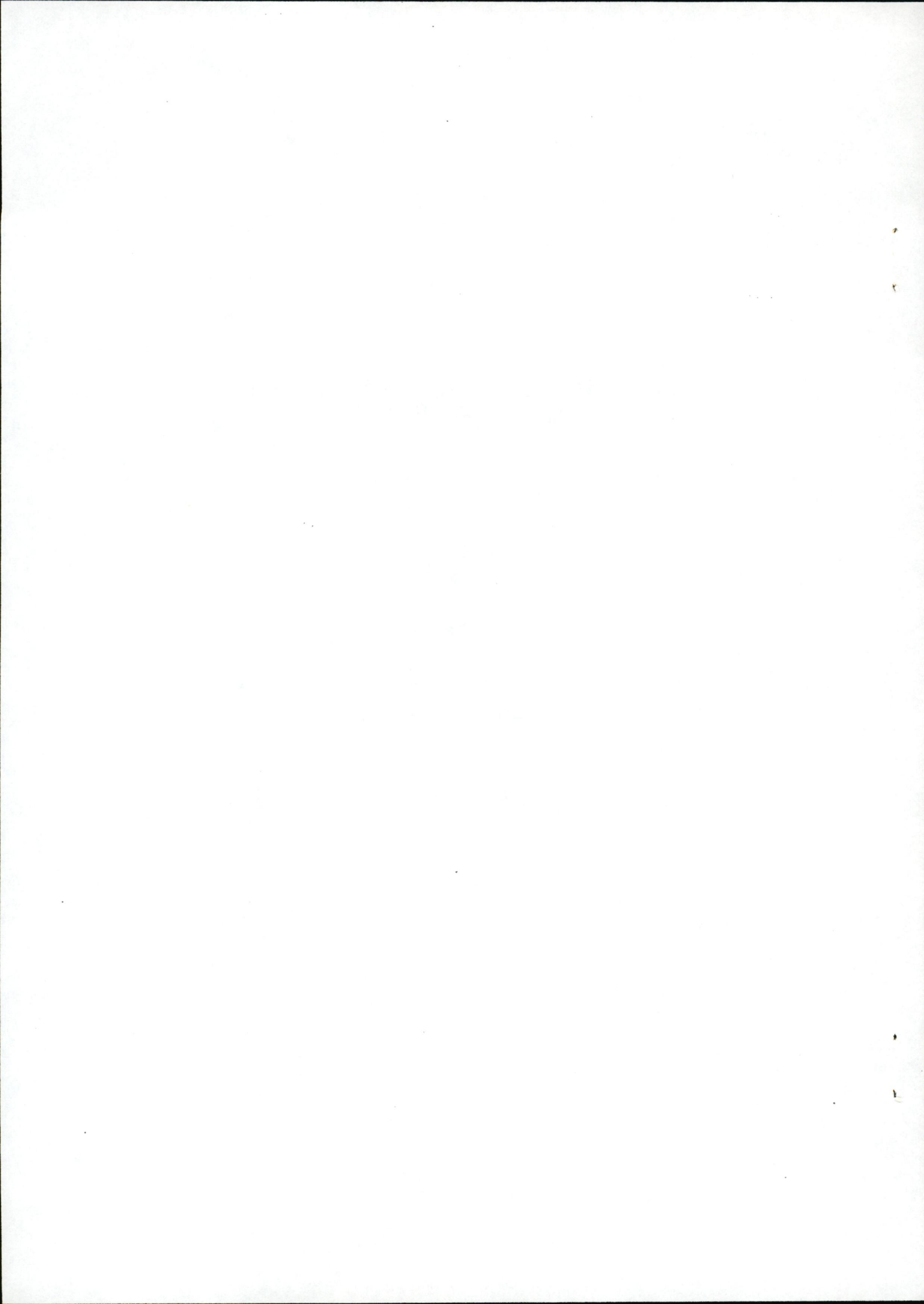
NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
2. Commencement
3. Amendment of State Authorities Superannuation Act 1987 No. 211

SCHEDULE 1—AMENDMENTS



**STATE AUTHORITIES SUPERANNUATION (SCHEME
CLOSURE) AMENDMENT BILL 1992**

NEW SOUTH WALES



No. , 1992

A BILL FOR

An Act to amend the State Authorities Superannuation Act 1987 to close the superannuation scheme established under that Act to new entrants from 16 August 1992 and to provide for related matters.

State Authorities Superannuation (Scheme Closure) Amendment 1992

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the State Authorities Superannuation (Scheme Closure) Amendment Act 1992.

5 Commencement

2. This Act commences on the date of assent.

Amendment of State Authorities Superannuation Act 1987 No. 211

3. The State Authorities Superannuation Act 1987 is amended as set out in Schedule 1.

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SCHEDULE 1—AMENDMENTS

(Sec. 3)

(1) After section 2, insert:

Closure of scheme to new entrants on and from 16 August 1992

15

2A. (1) Despite any other provision of this Act, an employee is not entitled to make an election to contribute to the Fund on or after 16 August 1992 (the "closure date").

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(2) However, a person who lodged an election to contribute to the Fund with the Board, or with the person's employer, before the closure date is taken to have elected to contribute to the Fund before that date and this Act applies accordingly.

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(3) An election that was sent to the Board or employer, by post or otherwise, before the closure date is taken to have been lodged with the Board before that date.

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(4) An election by a person to contribute to the Fund lodged on or after the closure date and before the commencement of the State Authorities Superannuation (Scheme Closure) Amendment Act 1992 has no effect and is taken never to have had effect. This subsection does not apply to an election that is, by virtue of subsection (2), taken to have been made before the closure date.

State Authorities Superannuation (Scheme Closure) Amendment 1992

SCHEDULE 1—AMENDMENTS—*continued*

Provisions relating to persons who elect to contribute on or after 16 August 1992

2B. (1) **Benefit payable.** A person who lodges an election to contribute to the Fund on or after the closure date and before the commencement of the State Authorities Superannuation (Scheme Closure) Amendment Act 1992 is entitled on that commencement to a benefit under this section. 5

(2) **Benefit to be preserved.** The benefit must be preserved in the Fund, together with interest from the date of commencement of the State Authorities Superannuation (Scheme Closure) Amendment Act 1992 to the date of payment at a rate determined by the Board. 10

(3) **Amount of benefit.** The benefit is to be the benefit calculated in accordance with section 43 (6). For the purpose of calculating the benefit payable in respect of a person who has attained the early retirement age, "K" in the formula in section 43 (6) is to equal 1. 15

(4) **Payment of preserved benefit.** The benefit preserved under this section in respect of a person must be paid by the Board when the person dies or: 20

(a) the person has attained the age of 55 years and has retired from the work force; or

(b) the Board is satisfied that, although the person has not attained the age of 55 years, he or she has retired from the work force, directly or indirectly, to his or her permanent mental or physical incapacity; or 25

(c) the person has produced to the Board the written approval of the Insurance and Superannuation Commissioner for payment of the benefit; or 30

(d) the Board has given approval for payment of the benefit under guidelines established by the Insurance and Superannuation Commissioner; or

(e) the Board is satisfied that the person is to depart from Australia permanently; or 35

(f) the person has requested the Board to pay the benefit:
 • to an approved deposit fund or another superannuation fund; or

State Authorities Superannuation (Scheme Closure) Amendment 1992

SCHEDULE 1—AMENDMENTS—*continued*

- by purchasing a deferred annuity,

and the Board is satisfied that the benefit will be preserved in accordance with the Occupational Superannuation Standards Regulations of the Commonwealth; or

- (g) there occurs any other event prescribed by the regulations for the purposes of this section.

(5) **Manner of payment.** A benefit payable under this section is to be paid in the same manner as any other benefit payable under this Act.

(6) **Determination of incapacity.** For the Board to be satisfied in relation to a person as required by subsection (4) (b), the Board must be given a certificate that:

- (a) is signed by 2 medical practitioners; and
- (b) certifies that, in the opinion of the medical practitioners, the person is unlikely ever to be able to work again in a job for which the person is reasonably qualified by education, training or experience.

Date of election

2C. On the commencement of the State Authorities Superannuation (Scheme Closure) Amendment Act 1992, for the purpose only of calculating the benefit payable under section 2B, an election by a person to contribute to the Fund that has not taken effect is taken to have effect.

Employee may resume contributions after break in employment

2D. Despite sections 2A and 2B, an employee who resumes employment as an employee in the circumstances set out in section 30 may make an application under that section and may resume contributions.

Employee over 55 years may contribute after election to preserve benefit after salary reduction

2E. (1) Despite sections 2A and 2B, an employee who has elected under Part 2 of Schedule 5 to make provision for a preserved benefit before the commencement of this section, or who so elects after the commencement of this section, is entitled to elect to contribute to the Fund.

State Authorities Superannuation (Scheme Closure) Amendment 1992

SCHEDULE 1—AMENDMENTS—*continued*

(2) Despite sections 2A and 2B, an employee who has elected under Division 3B of Part 4 of the Superannuation Act 1916 to defer or preserve a benefit before the commencement of this section, or who so elects after the commencement of this section, is entitled to elect to contribute to the Fund. 5

NOTE: Part 2 of Schedule 5 of this Act and Division 3B of Part 4 of the Superannuation Act 1916 enable a contributor under the applicable Act to preserve or defer a benefit if the contributor is aged over 55 years and the contributor's salary is reduced by more than 20%. 10

(2) Schedule 2 (Excluded persons):
Omit clause 3.

THIRD PRINT

**STATE AUTHORITIES SUPERANNUATION (SCHEME
CLOSURE) AMENDMENT BILL 1992**

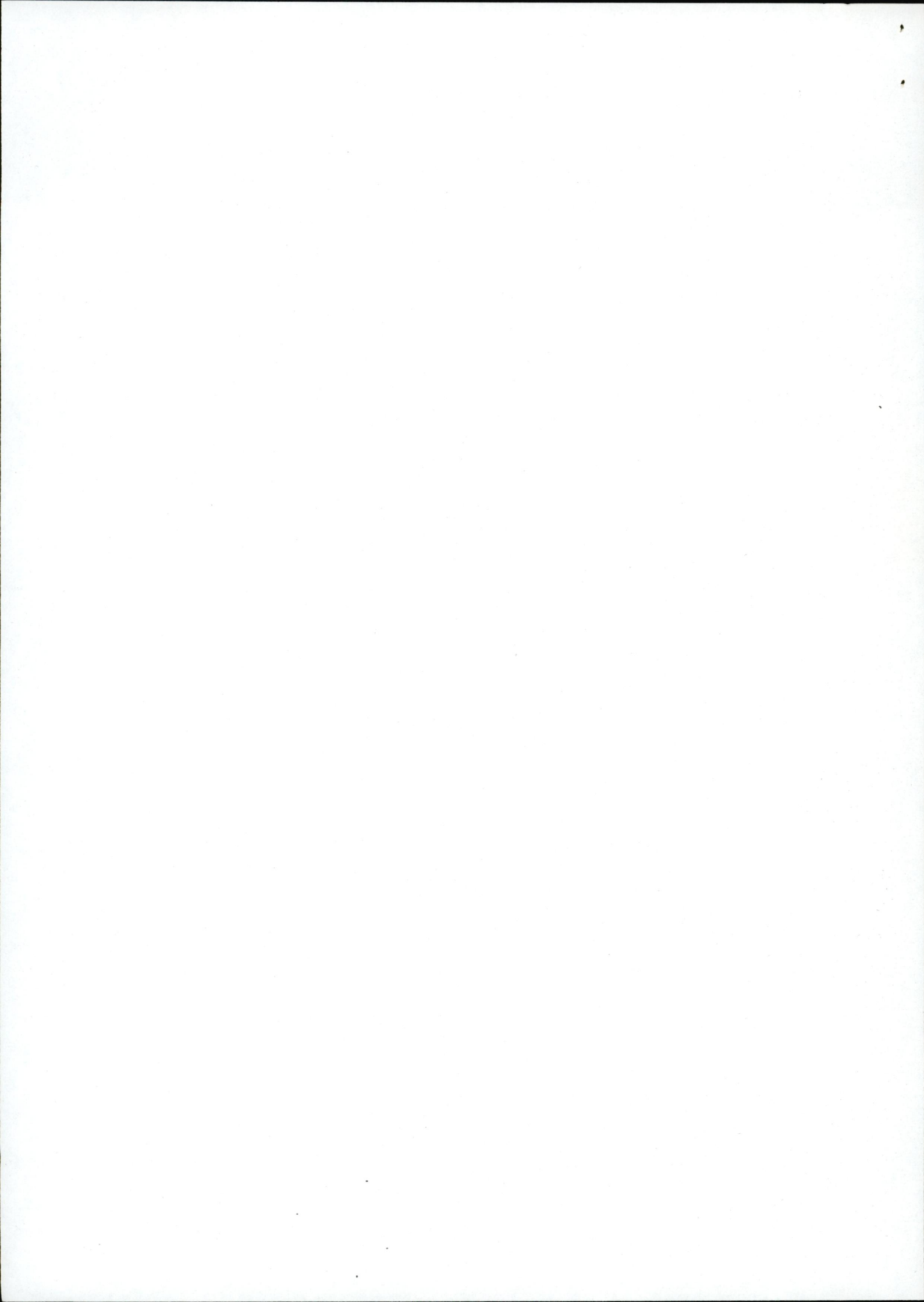
NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
2. Commencement
3. Amendment of State Authorities Superannuation Act 1987 No. 211

SCHEDULE 1—AMENDMENTS



This PUBLIC BILL, originated in the LEGISLATIVE ASSEMBLY and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.

Legislative Assembly

Clerk of the Legislative Assembly.

NEW SOUTH WALES



Act No. , 1992

An Act to amend the State Authorities Superannuation Act 1987 to close the superannuation scheme established under that Act to new entrants from 19 December 1992 and to provide for related matters.

State Authorities Superannuation (Scheme Closure) Amendment 1992

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the State Authorities Superannuation (Scheme Closure) Amendment Act 1992.

5 Commencement

2. This Act commences on the date of assent.

Amendment of State Authorities Superannuation Act 1987 No. 211

3. The State Authorities Superannuation Act 1987 is amended as set out in Schedule 1.

10

SCHEDULE 1—AMENDMENTS

(Sec. 3)

(1) After section 2, insert:

Closure of scheme to new entrants on and from 19 December 1992

15

2A. (1) Despite any other provision of this Act, an employee is not entitled to make an election to contribute to the Fund on or after 19 December 1992 (the "closure date").

20

(2) However, a person who lodged an election to contribute to the Fund with the Board, or with the person's employer, before the closure date is taken to have elected to contribute to the Fund before that date and this Act applies accordingly.

25

(3) An election that was sent to the Board or employer, by post or otherwise, before the closure date is taken to have been lodged with the Board before that date.

Employee may resume contributions after break in employment

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2B. Despite section 2A, an employee who resumes employment as an employee in the circumstances set out in section 30 may make an application under that section and may resume contributions.

State Authorities Superannuation (Scheme Closure) Amendment 1992

SCHEDULE 1—AMENDMENTS—*continued*

Employee over 55 years may contribute after election to preserve benefit after salary reduction

2C. (1) Despite section 2A, an employee who has elected under Part 2 of Schedule 5 to make provision for a preserved benefit before the commencement of this section, or who so elects after the commencement of this section, is entitled to elect to contribute to the Fund. 5

(2) Despite section 2A, an employee who has elected under Division 3B of Part 4 of the Superannuation Act 1916 to defer or preserve a benefit before the commencement of this section, or who so elects after the commencement of this section, is entitled to elect to contribute to the Fund. 10

NOTE: Part 2 of Schedule 5 of this Act and Division 3B of Part 4 of the Superannuation Act 1916 enable a contributor under the applicable Act to preserve or defer a benefit if the contributor is aged over 55 years and the contributor's salary is reduced by more than 20%. 15

(2) Schedule 2 (**Excluded persons**):

Omit clause 3.

**STATE AUTHORITIES SUPERANNUATION (SCHEME
CLOSURE) AMENDMENT ACT 1992 No. 101**

NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
2. Commencement
3. Amendment of State Authorities Superannuation Act 1987 No. 211

SCHEDULE 1—AMENDMENTS

**STATE AUTHORITIES SUPERANNUATION (SCHEME
CLOSURE) AMENDMENT ACT 1992 No. 101**

NEW SOUTH WALES



Act No. 101, 1992

An Act to amend the State Authorities Superannuation Act 1987 to close the superannuation scheme established under that Act to new entrants from 19 December 1992 and to provide for related matters. [Assented to 8 December 1992]

The Legislature of New South Wales enacts:**Short title**

1. This Act may be cited as the State Authorities Superannuation (Scheme Closure) Amendment Act 1992.

Commencement

2. This Act commences on the date of assent.

Amendment of State Authorities Superannuation Act 1987 No. 211

3. The State Authorities Superannuation Act 1987 is amended as set out in Schedule 1.

SCHEDULE 1—AMENDMENTS

(Sec. 3)

(1) After section 2, insert:

Closure of scheme to new entrants on and from 19 December 1992

2A. (1) Despite any other provision of this Act, an employee is not entitled to make an election to contribute to the Fund on or after 19 December 1992 (the "closure date").

(2) However, a person who lodged an election to contribute to the Fund with the Board, or with the person's employer, before the closure date is taken to have elected to contribute to the Fund before that date and this Act applies accordingly.

(3) An election that was sent to the Board or employer, by post or otherwise, before the closure date is taken to have been lodged with the Board before that date.

Employee may resume contributions after break in employment

2B. Despite section 2A, an employee who resumes employment as an employee in the circumstances set out in section 30 may make an application under that section and may resume contributions.

*State Authorities Superannuation (Scheme Closure) Amendment Act
1992 No. 101*

SCHEDULE 1—AMENDMENTS—*continued*

Employee over 55 years may contribute after election to preserve benefit after salary reduction

2C. (1) Despite section 2A, an employee who has elected under Part 2 of Schedule 5 to make provision for a preserved benefit before the commencement of this section, or who so elects after the commencement of this section, is entitled to elect to contribute to the Fund.

(2) Despite section 2A, an employee who has elected under Division 3B of Part 4 of the Superannuation Act 1916 to defer or preserve a benefit before the commencement of this section, or who so elects after the commencement of this section, is entitled to elect to contribute to the Fund.

NOTE: Part 2 of Schedule 5 of this Act and Division 3B of Part 4 of the Superannuation Act 1916 enable a contributor under the applicable Act to preserve or defer a benefit if the contributor is aged over 55 years and the contributor's salary is reduced by more than 20%.

(2) Schedule 2 (**Excluded persons**):

Omit clause 3.

[*Minister's second reading speech made in—
Legislative Assembly on 29 October 1992
Legislative Council on 26 November 1992*]

