



New South Wales

State Authorities Non-contributory Superannuation Amendment (Release of Benefits) Regulation 2001

under the

State Authorities Non-contributory Superannuation Act 1987

Her Excellency the Governor, on a certificate given under section 34 of the *State Authorities Non-contributory Superannuation Act 1987*, with the advice of the Executive Council, has made the following Regulation under the *State Authorities Non-contributory Superannuation Act 1987*.

JOHN DELLA BOSCA, M.L.C.,
Special Minister of State

Explanatory note

The objects of this Regulation are:

- (a) to provide for the reduction and calculation of benefits payable under the State Authorities Non-contributory Superannuation Scheme to or in respect of an employee or former employee under the Scheme who has received early release of a benefit on the ground of severe financial hardship or on compassionate grounds, and
- (b) to provide for consent to be obtained to the reduction before the early release of benefits.

This Regulation is made under the *State Authorities Non-contributory Superannuation Act 1987*, including section 23B and section 34 (the general regulation-making power).

2001 No 617

Clause 1 State Authorities Non-contributory Superannuation Amendment (Release of Benefits) Regulation 2001

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1 Name of Regulation

This Regulation is the *State Authorities Non-contributory Superannuation Amendment (Release of Benefits) Regulation 2001*.

2 Commencement

This Regulation commences on 10 August 2001.

3 Amendment of State Authorities Non-contributory Superannuation Regulation 2000

The *State Authorities Non-contributory Superannuation Regulation 2000* is amended as set out in Schedule 1.

4 Notes

The explanatory note does not form part of this Regulation.

Schedule 1 Amendments

(Clause 3)

[1] Part 3 Benefit reduction provisions

Insert before clause 6:

Division 1 General

[2] Part 3, Division 2

Insert after clause 9:

Division 2 Benefit reductions relating to early release of benefits on grounds of severe financial hardship or on compassionate grounds

9A Application of Division

The following benefits may be the subject of a reduction under this Division:

- (a) section 22 (Basic benefit),
- (b) section 24 (Benefit to be preserved),
- (c) section 26E (Non-contributing employees to have deferred accrued benefit instead of basic benefit).

9B Reduction of benefits

- (1) This clause applies to the reduction of benefits payable under the Act to or in respect of an employee or former employee to whom a benefit has been previously released on the ground of the employee's or former employee's severe financial hardship or on compassionate grounds.
- (2) If a benefit is released to a former employee who had preserved the basic benefit, STC must, on and from the date of the release, calculate the amount of the preserved basic benefit and reduce that amount by the amount of benefit released. The amount of benefit payable when the benefit preserved is payable is to be reduced accordingly.

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Schedule 1 Amendments

- (3) In any other case, STC must create a debt account in the Fund in respect of the employee or former employee and must when a benefit is payable reduce the benefit that is payable by the amount debited to the debt account at the time the benefit is payable.
- (4) Despite subclause (3), if a benefit is preserved under the Act after the release of a benefit and before a benefit is otherwise payable, STC must, on and from the date the benefit is preserved, calculate the amount of benefit preserved and reduce that amount by the amount debited to the debt account at the time the benefit is preserved. The amount of benefit payable when the benefit provided for or preserved is payable is to be reduced accordingly.
- (5) The amount debited to the debt account is to be the amount of benefit released together with interest on that amount at a rate determined by STC.
- (6) STC may obtain actuarial advice for the purpose of determining the amount of a reduced benefit.

9C Consent to benefit reduction

Before releasing a benefit on the ground of severe financial hardship or on compassionate grounds, STC must obtain the written consent of the employee or former employee to the reduction of benefits as a consequence of the early release.

BY AUTHORITY