



New South Wales

State Authorities Superannuation Amendment (Release of Benefits) Regulation 2001

under the

State Authorities Superannuation Act 1987

Her Excellency the Governor, with the advice of the Executive Council, has made the following Regulation under the *State Authorities 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 Superannuation Scheme to or in respect of a contributor or former contributor to 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, and
- (c) to make provision with respect to the early release of benefits during a transitional period.

This Regulation is made under the *State Authorities Superannuation Act 1987*, including section 43D, section 55 (the general regulation-making power) and clause 1 of Schedule 6.

2001 No 618

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

State Authorities Superannuation Amendment (Release of Benefits) Regulation 2001

1 Name of Regulation

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

2 Commencement

This Regulation commences on 10 August 2001.

3 Amendment of State Authorities Superannuation Regulation 2000

The *State Authorities 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 7:

Division 1 Benefit reductions relating to tax liabilities

[2] Part 3, Division 2

Insert after clause 15:

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

15A Application of Division

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

- (a) a benefit under section 37 (Benefit at or after early retirement or on death at or after early retirement age),
- (b) a benefit under section 38 (Benefit on death before early retirement age),
- (c) a benefit under section 39 (Benefit on total and permanent invalidity before early retirement age),
- (d) a benefit under section 40 (Benefit on partial and permanent invalidity before early retirement age),
- (e) a benefit under section 41 (Benefit on resignation, dismissal or discharge before early retirement age),
- (f) a benefit under section 42 (Benefit on retrenchment before early retirement age),
- (g) a benefit under section 42AB (Compulsory preservation of benefits after changeover day),
- (h) a deferred benefit.

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Schedule 1 Amendments

15B Reduction of benefits

- (1) This clause applies to the reduction of benefits payable under the Act to or in respect of a contributor or former contributor (other than a benefit payable under section 43B or 43C of the Act) to whom a benefit has been previously released on the ground of the contributor's or former contributor's severe financial hardship or on compassionate grounds.
- (2) If a benefit is released to a former contributor who has provided for a deferred benefit, STC must, on and from the date of the release, reduce the amount of the deferred benefit by the amount of benefit released. The amount of benefit payable when the deferred benefit is payable is to be reduced accordingly.
- (3) In any other case, STC must create a debt account in the Fund in respect of the contributor 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 contributor provides for a deferred benefit under the Act after the release of a benefit to the contributor concerned and before a benefit is otherwise payable, STC must, on and from the date the benefit is deferred, calculate the amount of benefit deferred and reduce that amount by the amount debited to the debt account at the time the benefit is deferred. The amount of benefit payable when the deferred benefit 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.

15C 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 contributor or former contributor to the reduction of benefits as a consequence of the early release.

15D Release of benefits during transitional period

- (1) This clause applies to the release of a benefit to a contributor or former contributor on the ground of severe financial hardship or on compassionate grounds during the transitional period if:
 - (a) the release was not inconsistent with section 43B or 43C of the Act, as amended by the *Superannuation Legislation Amendment Act 2000*, and
 - (b) STC obtained the written consent of the contributor or former contributor to the reduction of benefits as a consequence of the early release.
- (2) Clauses 15A and 15B apply in respect of a release of benefit to which this clause applies in the same way as they apply to a release of benefit after the commencement of those clauses.
- (3) In this clause:

transitional period means the period commencing on the date of assent to the *Superannuation Legislation Amendment Act 2000* and ending on the commencement of section 43D of the Act, as substituted by that Act.