

**POLICE REGULATION (SUPERANNUATION)
AMENDMENT BILL 1988**

NEW SOUTH WALES



EXPLANATORY NOTE

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

This Bill is cognate with the Superannuation (Amendment) Bill 1988.

The object of this Bill is to amend the Police Regulation (Superannuation) Act 1906 so as—

- (a) to provide the same benefits to the spouses of female members and former members of the police force as those currently provided to the spouses of male members and former members of the police force; and
- (b) to enable benefits payable under the Act to be reduced in order—
 - (i) to offset certain tax liabilities to which the Police Superannuation Fund may become liable; and
 - (ii) to comply with standards imposed under a law of the Commonwealth with respect to occupational superannuation schemes; and
- (c) to provide for other matters of a minor, ancillary or consequential nature.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides for the provisions of Schedule 1 to the proposed Act to commence on a day or days to be appointed by proclamation. The remainder of the provisions are to be taken to have commenced on 1 April 1988.

Clause 3 is a formal provision that gives effect to the Schedules of amendments.

SCHEDULE 1—AMENDMENTS

Schedule 1 (1) amends section 1 of the Principal Act (Short title, commencement and definitions) by inserting in subsection (2) of that section definitions of “Commonwealth taxation law” and “spouse” (in relation to a member or a former member of the police force who has died). A spouse will include a woman or man with whom the deceased member or former member of the police force was living as his wife or her husband.

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Schedule 1 (2) amends section 3 of the Principal Act (Police Superannuation Fund) so as to require the State Authorities Superannuation Board to pay out of the Police Superannuation Fund any amount necessary to satisfy a liability of the Fund with respect to the tax payable under a Commonwealth taxation law.

Schedule 1 (3) and (4) amend section 7 (Superannuation allowance except where member hurt on duty) and section 7AA (Superannuation allowance on early retirement) of the Principal Act so as to provide for a reduction of benefit under those sections where the Board has made a determination in respect of the benefit in accordance with proposed section 14AA or 14AB of that Act. (See Schedule 1 (14) and (15) below.)

Schedule 1 (5) amends section 9B of the Principal Act (Preserved benefit). Schedule 1 (5) (a) will require an election to preserve a benefit to be made in a form, and within a period, specified by the Board. Schedule 1 (5) (b) and (c) make amendments to the section similar to those made by Schedule 1 (3) and (4) above.

Schedule 1 (6) amends section 10 of the Principal Act (Superannuation allowance where member hurt on duty) in a manner similar to that provided under Schedule 1 (3) and (4).

Schedule 1 (7) inserts into the Principal Act a new section 11 which will provide for the grant of a superannuation allowance to the surviving spouse of a former member of the police force who died after the commencement of that section.

Schedule 1 (8) amends section 11A of the Principal Act (Grant of superannuation allowance to widow where the spouse died before the commencement of Schedule 1 (7) to the Police Regulation (Superannuation) Amendment Act 1988). After the amendment takes effect, the widow of a member or former member of the police force will be entitled to a superannuation allowance under the section only if the former member died before the commencement of Schedule 1 (7). If the former member dies after that commencement, the widow will be entitled to a superannuation allowance under proposed section 11 of the Principal Act (as inserted by Schedule 1 (7)).

Schedule 1 (9) makes a minor amendment to section 11B of the Principal Act (Grant of superannuation allowance to widows of former members of the police force dying before 12.4.1966) so as to bring the wording of the section into conformity with proposed section 11 of the Principal Act (as inserted by Schedule 1 (7)).

Schedule 1 (10) amends section 11C of the Principal Act (Grant of superannuation allowance to dependent widower whose spouse died before the commencement of Schedule 1 (7) to the Police Regulation (Superannuation) Amendment Act 1988). After the amendment takes effect, the widower of a former member of the police force will be entitled to a superannuation allowance under the section only if the former member died before the commencement of Schedule 1 (7). If the former member died after that commencement, the widower will be entitled to a superannuation allowance under proposed section 11 of the Principal Act (as inserted by Schedule 1 (7)).

Schedule 1 (11) amends section 12 of the Principal Act (Superannuation allowance where a member or former member dies as a result of being hurt on duty). The amendments effected by Schedule 1 (11) (a) and (c) are consequential on the insertion in section 1 (2) of the Principal Act of the definition of "spouse". The amendment to be made by Schedule 1 (11) (b) is similar to that which will be made by Schedule 1 (3) and (4).

Schedule 1 (12) and (13) amend section 13 (Gratuity where deceased member not hurt on duty) and section 14 (Gratuity for discharged members not hurt on duty) of the Principal Act in a similar way to that provided by Schedule 1 (3) and (4).

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Schedule 1 (14) inserts into the Principal Act proposed section 14AA. Proposed section 14AA will enable the State Authorities Superannuation Board to make a determination reducing the amount of a benefit that is payable under the Principal Act to or in respect of a contributor or former contributor where—

- (a) the Board is liable to pay a Commonwealth tax in respect of employers' contributions to the Police Superannuation Fund; and
- (b) a portion of that tax is referable to that benefit.

Schedule 1 (15) inserts into the Principal Act proposed section 14AB. Proposed section 14AB will enable the Board to make a determination reducing the amount of a benefit that is payable under the Principal Act to or in respect of a contributor or former contributor if that amount (together with any other superannuation or retirement benefits that have been paid or are payable to or in respect of that contributor or former contributor from any source) would exceed a level fixed by or in accordance with a law of the Commonwealth which fixes standards for occupational superannuation schemes. (Such a level is commonly known as "a reasonable benefit limit" or "RBL".)

Schedule 1 (16) and (17) amend section 14J (Commutation on normal or early retirement of member) and section 14K (Commutation on discharge of disabled member) of the Principal Act. The amendments are similar to those effected by Schedule 1 (3) and (4).

Schedule 1 (18) amends section 17 of the Principal Act (Refund of deductions). As a result of the amendment, a member of the police force who resigns or is discharged from the police force on or after 1 July 1990 will, in respect of any period of service on or after that date, be entitled to be paid interest on his or her contributions at the rate fixed by the State Authorities Superannuation Board under section 16 of the State Authorities Superannuation Act 1987.

Schedule 1 (19) replaces section 23 of the Principal Act. The substituted section will provide that the spouse of a deceased member or former member of the police force who would otherwise be entitled to two or more benefits under the Principal Act will be entitled to only one of those benefits. The substituted section will also provide for the spouse of a deceased member or deceased former member of the police force to receive a benefit even though that spouse remarries. Under the present section payment of a benefit is suspended if the widow or widower of a member or former member of the police force remarries.

SCHEDULE 2—FURTHER AMENDMENT

Schedule 2 amends Schedule 3 to the Principal Act (Lump sum benefits for normal or early retirement—commutation factors (multiples of final salary)). The amendment prescribes methods for determining the entry dates of members or former members of the police force for the purpose of enabling the calculation of lump sum benefits to which that Schedule relates.
