

Act No. 41

**PUBLIC AUTHORITIES SUPERANNUATION  
(RETRENCHMENT) AMENDMENT BILL 1987**

NEW SOUTH WALES



**EXPLANATORY NOTE**

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

This Bill is cognate with the Superannuation (Retrenchment) Amendment Bill 1987.

The object of this Bill is to amend the Public Authorities Superannuation Act 1985 so as—

- (a) to provide that, where the employment of contributors under that Act is terminated as a result of their acceptance of an offer by their employer of retrenchment conditions, those contributors will be entitled to receive the retrenchment benefits under that Act; and
- (b) to provide for such benefits to be paid to contributors who are retrenched after being members of the Public Authorities Superannuation Fund for only 3 years instead of for 10 years as is currently the case.

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Clause 1 specifies the short title of the proposed Act.

Clause 2 provides that the proposed Act shall be deemed to have commenced on 13 February 1987.

Clause 3 is a formal provision which gives effect to the Schedule of amendments to the Principal Act.

*Public Authorities Superannuation (Retrenchment) Amendment 1987*

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Schedule 1 (1) amends section 5 of the Principal Act, which defines certain expressions for the purposes of that Act by inserting a definition of "discharge" and substituting a definition of "retrenchment" for the existing definition of "retrench". "Discharge" is defined as the cessation of a contributor's employment because the period for which the contributor was originally employed has come to an end. The substituted definition of "retrenchment" will include not only compulsory retrenchment of a contributor's employment by the contributor's employer but also the termination of a contributor's employment as a result of the acceptance by the contributor of an offer by the contributor's employer of terms of retrenchment. The existing grounds for retrenchment will apply to both compulsory and voluntary termination of a contributor's employment.

Schedule 1 (2) amends section 29 of the Principal Act, which provides for the payment of a benefit to a contributor who retires from employment with an employer before reaching the normal retiring age on the ground of partial and permanent disablement. The amendments to the section are consequential on the amendments being made to section 31 of the Principal Act. (See Schedule 1 (3).)

Schedule 1 (3) amends section 31 of the Principal Act, which provides for the payment of retrenchment benefits to contributors who are retrenched by a public authority before they reach early retirement age. As a result of the amendment, the retrenchment benefit provided for by section 31 (2) of that Act will become payable to contributors who are retrenched on or after 13 February 1987 having been members of the Public Authorities Superannuation Fund for only 3 years. A contributor who is retrenched before that date is required to have been a member of that Fund for at least 10 years in order to qualify for receipt of that benefit.

Schedule 1 (4) amends section 32 of the Principal Act, which enables a contributor who is retrenched, resigns or is dismissed or discharged to elect to preserve a benefit to which he or she may be entitled under that Act. Subsection (3) of the section specifies the cases in which a preserved benefit becomes payable under that Act. As a result of the amendment, an additional case in which a preserved benefit will become payable will be when the contributor is retrenched after having become a contributor to the State Public Service Superannuation Fund. A preserved benefit will not however become payable in such a case unless the contributor's periods of contribution to the Public Authorities Superannuation Fund and to the State Public Service Superannuation Fund are continuous.

Further amendments to the section are consequential on the amendments being made to section 31 of the Principal Act. (See Schedule 1 (3).)

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