

Act 1992 No. 101

**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.

* Amended in committee—see table at end of volume.

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

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.

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.
