

Act No. 211

## STATE AUTHORITIES SUPERANNUATION 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 Administration Bill 1987.

The object of this Bill is to establish a new contributory superannuation scheme for employees in the public sector.

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#### PART 1—PRELIMINARY

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on 1 April 1988.

Clause 3 defines “contributor”, “early retirement age”, “employee”, “employer”, “Fund” and other terms commonly used in the Bill. The “Board” is defined as the State Authorities Superannuation Board constituted by the proposed Superannuation Administration Act 1987.

Clause 4 sets out the amounts, allowances etc. included in “salary” for the purposes of the proposed Act.

Clause 5 allows the Governor-in-Council to designate an employer for superannuation purposes in respect of a contributor who is for the time being on secondment to an organisation or body which is not an employer for the purposes of the proposed Act.

Clause 6 provides for the application of the proposed Act to a contributor who is engaged in part-time employment with more than one employer at the same time.

Clause 7 enables the regulations to prescribe a person or organisation who is to be regarded, for superannuation purposes, as the employer of persons employed by the Crown, the Government or a Minister of the Crown.

Clause 8 designates the employers, for the purposes of the proposed Act, of members of the Police Force and persons appointed as Local Coal Authorities.

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Clause 9 gives effect to Schedule 2 which excludes certain persons from the operation of the proposed Act in so far as it applies to employees.

Clause 10 gives effect to Schedules 3 and 4 which contain savings and transitional provisions.

**PART 2—THE STATE AUTHORITIES SUPERANNUATION FUND**

Clause 11 provides for the establishment of the Fund and provides for the amalgamation with it of the Public Authorities Superannuation Fund.

Clause 12 requires the Board to establish a separate account for each contributor.

Clause 13 provides for the establishment of an Additional Benefit Reserve Fund in respect of additional benefits referred to in clause 36.

Clause 14 provides for the establishment of a separate employer reserve in relation to individual employers or groups of employers.

Clause 15 enables the Board to establish other accounts and reserves within the Fund.

Clause 16 provides for the periodic adjustment of accounts and reserves, having regard to the income of the Fund and other matters.

Clause 17 provides for the appropriate crediting and debiting of any funds, accounts and reserves established under the proposed Act.

Clause 18 provides for periodic actuarial investigation of funds established under the proposed Act.

**PART 3—CONTRIBUTIONS BY EMPLOYEES**

Clause 19 provides for an election by an employee to join the Fund.

Clause 20 provides for application to be made to the Board by an employee to be covered for the additional benefit on death or disability.

Clause 21 allows the Board to require an applicant for the additional benefit to undergo a medical examination. The Board may refuse an application for the additional benefit if the applicant fails the medical examination or will not submit to it.

Clause 22 provides for cover for, and payment of the additional benefit levy in respect of, the additional benefit in the case of approved applicants.

Clause 23 sets limitations on the times at which an unsuccessful applicant for the additional benefit may make further applications.

Clause 24 allows the Board to revoke its approval of an application for the additional benefit if the approval was obtained by deceit or misrepresentation or (where that is suspected) if the applicant will not provide supplementary information or submit to a further medical examination.

Clause 25 establishes the employee's liability to contribute to the Fund after electing to do so.

Clause 26 provides that a contributor's contributions to the Fund are to be based on salary paid at specified particular times.

Clause 27 enables the contribution rate in respect of a contributor's salary to be varied in certain circumstances.

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Clause 28 enables the contribution rate in respect of a contributor's salary to be varied at any time on the grounds of hardship.

Clause 29 provides that a contributor on leave without pay is not entitled to continue making contributions to the Fund, except in certain circumstances.

Clause 30 provides that, subject to the Board's approval and certain conditions, a contributor may continue to contribute to the Fund in respect of a period during which he or she was not employed by an employer. The kind of period contemplated is a short one that falls between periods of employment with an employer or employers.

#### PART 4—CONTRIBUTIONS BY EMPLOYERS

Clause 31 provides for the contributions payable to the Fund by employers named in Part 1 of Schedule 1 (The Crown and other employers not mentioned in Parts 2 and 3).

Clause 32 provides for the contributions payable to the Fund by employers named in Part 2 of Schedule 1 (Local government and other authorities).

Clause 33 provides for the contributions payable to the Fund by employers named in Part 3 of Schedule 1 (Hospitals and other bodies).

Clause 34 provides for the calculation of contributions on the basis of contribution periods.

Clause 35 provides for a transfer of amounts between employers in respect of contributors who transfer from the service of one employer to another.

#### PART 5—BENEFITS

Clause 36 defines certain terms relating to benefits.

Clause 37 specifies the benefit payable on the early retirement or the death of a contributor at or after reaching the early retirement age and identifies the eligible beneficiaries.

Clause 38 specifies the benefit payable on the death of a contributor before reaching the early retirement age and identifies the eligible beneficiaries.

Clause 39 specifies the benefit payable to a contributor who becomes totally and permanently disabled before reaching the early retirement age.

Clause 40 specifies the benefit payable to a contributor who becomes partially and permanently disabled before reaching the early retirement age.

Clause 41 specifies the benefit payable to a contributor on resignation, dismissal or discharge before reaching the early retirement age.

Clause 42 specifies the benefit payable to a contributor who is retrenched before reaching the early retirement age.

Clause 43 enables a contributor who, in certain circumstances, is entitled to a benefit described in clause 41 to elect instead to take a preserved benefit and specifies the benefit that may be taken.

Clause 44 provides for the making of applications for payment of the benefit described in clause 43.

Clause 45 allows the Board to pay interest, at its discretion, on benefits paid under the proposed Act.

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## PART 6—MISCELLANEOUS

Clause 46 enables the Governor-in-Council, by order published in the Gazette, to amend Schedule 1 (the schedule of employers) or Schedule 2 (the schedule of persons excluded as employees).

Clause 47 requires employers to submit to the Board information concerning contributors and potential contributors.

Clause 48 enables the Board to require employees or claimants to provide specified information or access to information and, in appropriate cases, to undergo a medical examination.

Clause 49 provides for the method of making an election or application under the proposed Act.

Clause 50 renders void any purported assignment of, or charge over, a benefit payable under the proposed Act, but enables payments to be made by the Board in accordance with a request made by a beneficiary.

Clause 51 provides for payment, in the event of death, of a benefit without a grant of probate or letters of administration, or in anticipation of a claim under the Family Provision Act 1982.

Clause 52 enables recovery by the Board of money due to the Fund and any interest payable in respect of unpaid money.

Clause 53 enables the Board to restore a right, privilege or benefit under the proposed Act to a person who ceases to be entitled to exercise the right or enjoy the privilege or benefit.

Clause 54 provides for payment of a benefit where the beneficiary is incapable of administering his or her own affairs.

Clause 55 enables the Governor-in-Council to make regulations in aid of the proposed Act.

Schedule 1 specifies the authorities which are employers for the purposes of the proposed Act.

Schedule 2 specifies persons who are not to be regarded as employees for the purposes of the proposed Act.

Schedule 3 contains appropriate savings and transitional provisions consequent on the enactment of the proposed Act and the amalgamation of the Public Authorities Superannuation Fund with the Fund.

Schedule 4 allows regulations to be made prescribing transitional arrangements respecting transfers from other superannuation schemes.

Schedule 5 makes provision for contributors transferred, as a result of Government initiatives, to an employer who is not an employer covered by the proposed Act. In such a case, the contributor's benefit is to be preserved or transferred to another superannuation scheme.

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