

Act No. 212

## STATE AUTHORITIES NON-CONTRIBUTORY 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 non-contributory superannuation scheme for certain employees in the public sector, so as to provide a 3 per cent productivity benefit.

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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 "employee", "employer" 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 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 6 designates the employers, for the purposes of the proposed Act, of members of the police force and persons appointed as Local Coal Authorities.

Clause 7 creates, as distinct from full-time and part-time employees, a third category of "irregular" employees. These are persons who are not likely to remain in one of the two more usual categories for a year or longer or who have very short working hours.

Clause 8 gives effect to Schedule 2 which excludes certain persons from the operation of the proposed Act in so far as it applies to employees.

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PART 2—FUNDS

Clause 9 enables the Board to establish funds, accounts and reserves for the purposes of the proposed Act.

Clause 10 provides for the establishment within any fund of a separate employer reserve in relation to individual employers or groups of employers.

Clause 11 provides for accounts and reserves to be periodically adjusted having regard to the income of the funds and other matters.

Clause 12 provides for the appropriate crediting and debiting of any funds, accounts and reserves established under the proposed Act.

Clause 13 provides for periodic actuarial investigation of funds established under the proposed Act.

PART 3—CONTRIBUTIONS BY EMPLOYERS

Clause 14 provides for the contributions payable by employers named in Part 1 of Schedule 1 (The Crown and other employers not mentioned in clauses 15 and 16).

Clause 15 provides for the contributions payable by employers named in Part 2 of Schedule 1 (Local government and other employers).

Clause 16 provides for the contributions payable by employers named in Part 3 of Schedule 1 (Hospitals and other bodies).

Clause 17 enables regulations to be made in relation to the contributions payable in respect of irregular employees referred to in clause 7.

Clause 18 provides for the calculation of contributions on the basis of contribution periods.

Clause 19 provides for a transfer of amounts between employers in respect of contributors who transfer from the service of one employer to another.

Clause 20 provides for the payment of contributions under the proposed Act into such funds, accounts or reserves as the Board determines.

PART 4—BENEFITS

Clause 21 defines certain terms relating to benefits.

Clause 22 specifies the basic benefit provided by the proposed Act for employees other than irregular employees and enables regulations to be made in relation to irregular employees' basic benefits.

Clause 23 prescribes the circumstances in which the basic benefit is payable immediately. These are exit after the age of 55 or on earlier death or total disability.

Clause 24 provides for preservation and payment of the basic benefit in circumstances other than those mentioned in clause 23.

Clause 25 makes machinery provisions respecting preserved benefits.

Clause 26 allows the Board to pay interest, at its discretion, on benefits paid under the proposed Act.

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PART 5—MISCELLANEOUS

Clause 27 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 28 requires employers to submit to the Board information concerning employees.

Clause 29 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 30 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 31 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 32 enables recovery by the Board of money due under the proposed Act and any interest payable in respect of unpaid money.

Clause 33 provides for payment of a benefit where the beneficiary is incapable of administering his or her own affairs.

Clause 34 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.

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