

**MISCELLANEOUS ACTS (PUBLIC SECTOR EXECUTIVES
SUPERANNUATION) AMENDMENT BILL 1989**

NEW SOUTH WALES



EXPLANATORY NOTE

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

This Bill is cognate with the Superannuation Administration (Amendment) Bill 1989.

The object of this Bill is to amend certain Acts as a consequence of the enactment of the proposed Public Sector Executives Superannuation (Amendment) Bill 1989.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides that the proposed Act is to be taken to have commenced on 1 October 1989.

Clause 3 gives effect to Schedule 1, which contains amendments to the Local Government and Other Authorities (Superannuation) Act 1927, the State Authorities Non-contributory Superannuation Act 1987, the State Authorities Superannuation Act 1987 and the Superannuation Act 1916.

Schedule 1:

Amendments to the Local Government and Other Authorities (Superannuation) Act 1927:

- (1) Definitions of "Chief executive officer", "Prescribed employment benefit" and "Senior executive officer" are to be inserted into section 3 of the Act (Definitions).
- (2) Section 3B of the Act is to be replaced by a new section which redefines "salary" for the purposes of the Act in relation to a permanent servant (as defined in the Act) who is appointed as a chief executive officer or senior executive officer or is nominated as an office holder for the

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- purposes of section 11A of the Statutory and Other Offices Remuneration Act 1975. Under the new section 3B, such a servant will be allowed to elect to treat as salary for superannuation purposes either none of the cost of providing him or her with prescribed employment benefits or only a specified proportion of that cost.
- (3) A new section, 15A, is to be inserted into the Act which will require the State Authorities Superannuation Board, if directed to do so, to purchase an annuity or other form of pension for a permanent servant who becomes entitled to be paid a gratuity from the Local Government Provident Fund or, if the servant has died, for the beneficiaries of the servant's estate.
 - (4) A new section, 15ZA, is to be inserted into the Act which will require the Board, if directed to do so, to purchase an annuity or other form of pension for a contributor to the Local Government Benefits Fund who becomes entitled to receive a benefit from that Fund or, if the contributor has died, for the beneficiaries of the contributor's estate.
 - (5) An amendment to section 15CP of the Act will provide a basis for determining the transfer value of the amount to which a permanent servant insured under Part 2 of the Act or a contributor to the Local Government Provident Fund or the Superannuation Benefits Fund will be entitled on electing to become a member of the Public Sector Executives Superannuation Scheme.

Amendments to the State Authorities Non-contributory Superannuation Act 1987:

- (1) Definitions of "chief executive officer", "prescribed employment benefit" and "senior executive officer" are to be inserted into section 3 of the Act (Definitions).
- (2) Section 4A of the Act, which defines "salary" in relation to employees who are chief executive officers and senior executive officers, and office holders nominated for the purposes of section 11A of the Statutory and Other Offices Remuneration Act 1975, is to be substituted. The substituted section will allow those employees to elect to treat as salary for superannuation purposes either none of the cost to their employer of providing them with prescribed employment benefits or only a specified proportion of that cost.
- (3) Section 24 of the Act (Benefit to be preserved) is to be amended so that, if an employee (as defined by the Act) who is appointed as a chief executive officer or senior executive officer, or who is nominated as an office holder for the purposes of section 11A of the Statutory and Other Offices Remuneration Act 1975, elects, within 12 months of being so appointed or so nominated, to preserve his or her existing basic benefit until reaching early retiring age or to become a member of the Public Sector Executives Superannuation Scheme, the salary for the purpose of calculating the value of the preserved benefit or the relevant transfer value is to be the salary that was being paid to the employee immediately before being so appointed or nominated.

- (4) A new section, 25A, is to be inserted into the Act which will require the State Authorities Superannuation Board, if directed by an employee or, where the employee is dead, by the employee's spouse or personal representatives, to purchase an annuity or other form of pension from any benefit that is payable from the appropriate fund established under section 9 (1) of the Act to or in respect of the employee under the Act.

Amendments to the State Authorities Superannuation Act 1987:

- (1) Definitions of "chief executive officer", "prescribed employment benefit" and "senior executive officer" are to be inserted into section 3 of the Act (Definitions).
- (2) Section 4A of the Act, which defines "salary" in relation to contributors who are chief executive officers and senior executive officers, and office holders nominated for the purposes of section 11A of the Statutory and Other Offices Remuneration Act 1975, is to be substituted. The substituted section will allow those contributors to elect to treat as salary for superannuation purposes either none of the cost of providing them with prescribed employment benefits or only a specified proportion of that cost.
- (3) Section 30A of the Act (Contributor eligible for membership, or a member, of the Public Sector Executives Superannuation Scheme) is to be amended so that, if a contributor to the State Authorities Superannuation Fund who is appointed as a chief executive officer or senior executive officer, or who is nominated as an office holder for the purposes of section 11A of the Statutory and Other Offices Remuneration Act 1975, elects, within 12 months of being so appointed or nominated, to preserve a right to a benefit until reaching early retiring age or to become a member of the Public Sector Executives Superannuation Scheme, the salary of the contributor for the purposes of calculating the preserved benefit or transfer value of the contributor's rights in the Fund is to be the salary that was being paid to the contributor immediately before being so appointed or nominated.
- (4) A new section, 43A, is to be inserted into the Act which will require the State Authorities Superannuation Board, if directed by a contributor to the State Authorities Superannuation Fund or, where the contributor has died, by the contributor's spouse or personal representatives, to purchase an annuity or other form of pension from any benefit that is payable to or in respect of the contributor under the Act.

Amendments to the Superannuation Act 1916:

- (1) Definitions of "Chief executive officer", "Prescribed employment benefit" and "Senior executive officer" are to be inserted into section 3 of the Act (Definitions).
- (2) Section 3AA of the Act, which defines "salary" in relation to contributors who are chief executive officers and senior executive

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officers, and office holders nominated for the purposes of section 11A of the Statutory and Other Offices Remuneration Act 1975, is to be substituted. The substituted section will allow those contributors to elect to treat as salary for superannuation purposes either none of the cost of providing them with prescribed employment benefits or only a specified proportion of that cost.

- (3) Section 20AB of the Act (Contributor eligible for membership or a member of the Public Sector Executives Superannuation Scheme) is to be amended so that, if a contributor to the State Superannuation Fund who is appointed as a chief executive officer or senior executive officer, or who is nominated as an office holder for the purposes of section 11A of the Statutory and Other Offices Remuneration Act 1975, elects to cease contributing to the Fund and to preserve an existing right to a benefit under Division 3A of Part 4 of the Superannuation Act 1916 or to become a member of the Public Sector Executives Superannuation Scheme, the value of the preserved benefit or the relevant transfer value will be an amount equal to the actuarially calculated lump sum value of the preserved benefit. Section 20AB is also to be amended so that, if a contributor who is appointed as a chief executive officer or senior executive officer, or who is nominated as an office holder for the purposes of section 11A of the Statutory and Other Offices Remuneration Act 1975, elects, within 12 months of being so appointed or nominated, to cease contributing to the State Superannuation Fund and to preserve a right to a benefit under Division 3A of Part 4 of the Superannuation Act 1916 or to become a member of the Public Sector Executives Superannuation Scheme, the contributor's salary, for the purpose of calculating the value of the preserved benefit or the relevant transfer value, is to be the salary that was being paid to the contributor immediately before being so appointed or nominated.
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