

**COAL AND OIL SHALE MINE WORKERS
(SUPERANNUATION) AMENDMENT BILL 1988**

NEW SOUTH WALES



EXPLANATORY NOTE

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

The object of this Bill is to amend the Coal and Oil Shale Mine Workers (Superannuation) Act 1941—

- (a) to provide for additional employee contributions to the Coal and Oil Shale Mine Workers Superannuation Fund so as to reduce the unfunded liability of that Fund;
- (b) to reduce the prospective service for disability benefit purposes to service to the age of 55 years;
- (c) to introduce lump sum benefit payments for partial and permanent disability (at present lump sum benefit payments can be made on retirement or for total and permanent disability);
- (d) to remove the service requirement of 10 years continuous contributory service as a prerequisite to payment of a lump sum benefit payment on retirement at age 60 years;
- (e) to provide that widowers and de facto spouses are eligible for spouse's benefits;
- (f) to make the superannuation scheme compulsory for all workers in or about coal mines, including women; and
- (g) to make other provisions in relation to the payment of benefits and refunds of contributions.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides that the proposed Act is to commence on 3 July 1988.

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

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SCHEDULE 1—AMENDMENTS

Making scheme compulsory for women workers

Schedule 1 (1) makes the scheme compulsory for women workers by repealing and substituting section 2i (provision for the admission of women to the scheme on application only). On the commencement of new section 2i, women will come within the definition of “mine worker” in the Act.

Schedule 1 (2) contains consequential amendments.

Removal of 10 year service requirement for payment of lump sum benefit on retirement

Schedule 1 (3) removes the service requirement of 10 years continuous contributory service as a prerequisite to payment of a lump sum benefit payment on future retirements at age 60 years.

Variation of lump sum benefits payable on retirement

Schedule 1 (4) authorises the Minister, by order published in the Gazette, to vary the amount of the lump sum benefits payable on retirement if the variation is recommended by an actuary in conjunction with a triennial valuation of the Fund and is appropriate to achieve by 30 June 2011 the full funding of the scheme. The variation must be made in conjunction with an order under proposed section 19 (2c) fixing additional contributions by employers or employees.

Extension of scheme to widowers and de facto spouses

Schedule 1 (5) (a)–(c) and (e)–(h) amend section 14D (Lump sum benefit payment on death of mine worker) so as to provide that, in addition to benefits being payable to widows, they are to be payable to widowers and to de facto spouses of mine workers.

Variation of amount of benefits payable to spouses and payment of benefits where there are no dependants

Schedule 1 (5) (d) provides that, in future, the spouse’s benefit will be the amount now payable, or the amount of the lump sum benefit that would have been payable in the case of a partial incapacity, whichever is the greater.

Schedule 1 (5) (i) provides that, if no lump sum benefit is otherwise payable on the death of a mine worker (there being no dependants), the amount of the lump sum benefit that would have been payable in the case of a partial incapacity is payable to the legal personal representatives of the deceased mine worker.

Payment of lump sum benefits for disabled mine workers

Schedule 1 (6) amends section 14E of the Act (lump sum benefit payments for totally and permanently incapacitated mine workers) so that that section ceases to apply after 3 July 1988.

Schedule 1 (7) (proposed section 14FA) inserts a new provision, on the lines of existing section 14E, to provide for payment of lump sum benefits to mine workers who become totally and permanently incapacitated after 3 July 1988.

The principal difference between section 14E and the new provision is that, under the new provision, the amount of the lump sum benefit is equal to the amount that would have been payable on retirement at age 55 (early voluntary retirement age), not age 60. If the date of the disability is after age 55 is reached, the benefit payable is the amount that would have been payable on retirement at that date.

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Schedule 1 (7) (proposed section 14FB) inserts a new provision for the payment of a lump sum benefit to mine workers who become partially and permanently incapacitated. The benefit payable in this case is the amount that would have been payable had the worker retired on the date of disability.

Increase in employee contributions to the superannuation fund

Schedule 1 (8) (a) omits a provision allowing the Minister to fix a lower rate of additional contribution by mine owners, and provides that the rate shall be 5.5 per cent of the Reference Rate (a loaderman's weekly award wage) or such other rate as the Minister fixes under proposed section 19 (2c).

Schedule 1 (8) (b) (proposed section 19 (2B)) provides that mine workers are required to pay to the fund additional contributions at the rate of 1.75 per cent of the Reference Rate or such other rate as the Minister fixes under proposed section 19 (2c).

Schedule 1 (8) (b) (proposed section 19 (2c)) allows the Minister to fix new rates of contributions for mine owners or mine workers. New rates can be fixed only on the recommendation of an actuary (made in conjunction with a triennial valuation of the fund) and if the new rates are appropriate to achieve by 30 June 2011 the full funding of the scheme.

Schedule 1 (8) (c) and (d) are consequential amendments.

Refund of contributions where mine worker ceases to be employed

Schedule 1 (9) (a)–(c) remove provisions that prevent the refund of a mine worker's contributions in certain circumstances.

Schedule 1 (9) (d) provides that, in relation to a refund of contributions after 3 July 1988, the interest payable to the mine worker on the refunded contributions is to be as determined by the Coal and Oil Shale Mine Workers' Superannuation Tribunal (having regard to the current fund earnings). At present the interest payable is equivalent to Commonwealth Savings Bank interest.
