



New South Wales

# Parliamentary Contributory Superannuation Amendment Bill 2010

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

## Overview of Bill

The object of this Bill is to amend the *Parliamentary Contributory Superannuation Act 1971* to correct drafting oversights in amendments made to that Act by the *Parliamentary Superannuation Legislation Amendment Act 2005* to close the pension-based Parliamentary Contributory Superannuation Scheme to new members elected at or after the 2007 general election. The Scheme continues to apply to continuing members first elected before that general election.

The Parliamentary Remuneration Tribunal has, as required by section 4 of the *Parliamentary Contributory Superannuation Act 1971*, approved the introduction of this Bill into Parliament.

## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on 7 December 2005, the date of commencement of the *Parliamentary Superannuation Legislation Amendment Act 2005*.

## **Schedule 1      Amendment of Parliamentary Contributory Superannuation Act 1971 No 53**

**Schedule 1 [1]** corrects an oversight that would have excluded from the Parliamentary Contributory Superannuation Scheme, after the next general election, members of the Legislative Council who were elected at the 2003 general election for a term expiring at the 2011 general election (or who replaced members so elected because of a casual vacancy arising before the 2011 general election). Unless such a member ceases to be a member for more than 3 months, the member is a continuing member who is not subject to the closure of the Scheme to new members elected at or after the 2007 general election.

**Schedule 1 [2]** corrects an unintended consequence of the closure of the Scheme to continuing members elected before the 2007 general election who cease to be a member and become entitled to a pension, but who subsequently again become a member. When the member subsequently again becomes a member, section 25 (1) provides that the pension ceases. If the person ceased to be a member for less than 3 months, the person on re-election remains a continuing member who contributes to the Scheme and acquires further qualifying service during the period he or she again becomes a member (in which case, the person will on ceasing to be a member for the second time be entitled to a pension based on the previous service and the further additional service). However, if the break of service is more than 3 months, the person on again becoming a member will not be a continuing member and accordingly will not contribute or be entitled to qualifying service for the period the person again becomes a member. In this case, without an amendment to section 25 a new pension to replace the pension that ceased would not be payable. The amendment to section 25 provides that the original pension of such a person is merely suspended, so that it will be restored (without any increase for additional service) when the person ceases to be a member for a second time.

**Schedule 1 [3]** is consequential on the amendment made by Schedule 1 [2].

First print



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New South Wales

# Parliamentary Contributory Superannuation Amendment Bill 2010

No. , 2010

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## A Bill for

An Act to amend the *Parliamentary Contributory Superannuation Act 1971* to correct drafting oversights in the scheme closure provisions of that Act.

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|   |             |
|---|-------------|
| <b>The Legislature of New South Wales enacts:</b>   | 1           |
| <b>1 Name of Act</b>  | 2           |
| This Act is the <i>Parliamentary Contributory Superannuation Amendment Act 2010</i> .   | 3<br>4      |
| <b>2 Commencement</b>   | 5           |
| This Act is taken to have commenced on 7 December 2005 (the date of commencement of the <i>Parliamentary Superannuation Legislation Amendment Act 2005</i> ). | 6<br>7<br>8 |

|                   |   |             |
|-------------------|---|-------------|
| <b>Schedule 1</b> | <b>Amendment of Parliamentary<br/>Contributory Superannuation Act 1971<br/>No 53</b>  | 1<br>2<br>3 |
| <b>[1]</b>        | <b>Section 4A Closure of Parliamentary Contributory Superannuation<br/>Scheme</b>   | 4<br>5      |
|                   | Omit section 4A (3) (b).  | 6           |
| <b>[2]</b>        | <b>Section 25 Termination or suspension of pension if recipient becomes a<br/>member of Parliament</b>                            | 7<br>8      |
|                   | Insert “(and is at that time a continuing member referred to in section 4A)”<br>after “again becomes a member” in section 25 (1). | 9<br>10     |
| <b>[3]</b>        | <b>Section 25 (2) (b)</b>   | 11          |
|                   | Insert “or again becomes a member” after “becomes a member”.  | 12          |