

# **SUPERANNUATION LEGISLATION AMENDMENT BILL 1993**

## **EXPLANATORY NOTES**

This Bill is for an Act to amend certain Acts relating to superannuation.

### **PART 1—PRELIMINARY**

*Clause 1* sets out the short title of the Act.

*Clause 2* provides that sections 3, 4, 11, 27, 34 and 35 commenced on 1 July 1992, sections 12 and 28 commenced on 1 January 1993 and sections 14, 20, 33, 38, 39 and 45 are to commence on a day fixed by proclamation. The balance of the provisions are to commence on Assent.

### **PART 2—AMENDMENT OF PARLIAMENTARY CONTRIBUTORY SUPERANNUATION ACT 1970**

*Clause 3* cites the *Parliamentary Contributory Superannuation Act 1970* as the Act amended in this Part.

*Clause 4* provides that members are entitled to at least the level of employer superannuation support required under the Commonwealth Superannuation Guarantee Charge legislation. The level of employer support is to be preserved if necessary under conditions determined by the Commonwealth Occupational Superannuation Standards Act 1987.

*Clause 5* replaces section 36 which gives the Governor in Council power to make regulations, to conform with modern drafting style.

### **PART 3—AMENDMENT OF POLICE SUPERANNUATION ACT 1968**

*Clause 6* cites the *Police Superannuation Act 1968* as the Act amended in this Part.

*Clause 7* amends section 22 to recognise that a contributor may now be making payments to the Consolidated Fund during unpaid absence from work.

*Clause 8* amends section 30 to recognise that a contributor may now be making some payments to the Consolidated Fund.

*Clause 9* corrects a technical problem which has arisen as a result of prior Act amendments.

*Clause 10* omits the requirement for the publication of regulations. This is redundant as it is now required by the *Statutory Instruments Act 1992*.

### **PART 4—AMENDMENT OF POLICE SUPERANNUATION ACT 1974**

*Clause 11* cites the *Police Superannuation Act 1974* as the Act amended in this Part.

*Clause 12* confirms the closure of the Police Superannuation Scheme to new members on 1 January 1993. (New appointees to Police Service now join the State Public Sector Superannuation (Q Super) Scheme.)

*Clause 13* clarifies the salary, for benefit purposes, of persons who are absent from duty, whether or not they are on official leave.

*Clause 14* reconstitutes the Police Superannuation Board. This is in order to comply with Queensland Government guidelines which require trustees of Queensland Government superannuation schemes to be equally representative of the employer and employee. The Commonwealth Government is also moving towards equal representation.

*Clauses 15—20* provide for the operation of the reconstituted Police Superannuation Board. These clauses ensure that the operation of the Police Board is consistent with that of the Boards of Trustees of the other major Queensland Government superannuation schemes.

*Clause 21* removes section 20 which is now redundant. This section dealt with the split of surplus between the members and the Government. As the Police Fund will in future hold purely members' funds, any surplus will be directly attributable to members.

*Clause 22* amends section 21 to recognise that a contributor may now be making some payments to the Consolidated Fund.

*Clause 23* amends section 23 to recognise that a contributor may now be making some payments to the Consolidated Fund.

*Clause 24* amends section 24 to provide that members' contributions are to be adjusted annually in November based on salary at 1 October in lieu of requiring adjustments in line with each salary increase. This is to improve the administrative efficiency of the scheme and to ensure that administration of State Government operated superannuation schemes is consistent.

*Clause 25* is a consequential amendment arising from the amendment provision in Clause 28. It provides that if a salary increase is received subsequent to 1 October, but is back-dated, the back-dated salary is used for contribution purposes.

*Clause 26* is to apply any applicable amount from the Gosuper Scheme to the Police Fund and the Consolidated Fund in the ratio 2:5 to recognise that the Consolidated Fund will in future, be paying five-sevenths of all benefits.

*Clause 27* provides that members are entitled to at least the level of employer superannuation support required under the Commonwealth Superannuation Guarantee Charge legislation. The level of employer support is to be preserved if necessary under conditions determined by the Commonwealth Occupational Superannuation Standards Act 1987.

*Clause 28* amends section 33 to ensure that, a member who has preserved a benefit in the Police Scheme and then again becomes an employee of the Police Service, may elect to rejoin the Police Scheme, instead of being required to join the Q Super Scheme.

*Clause 29* is to charge the costs of administration of the scheme to the Police Fund and the Consolidated Fund in the ratio 2:5 to recognise that the Consolidated Fund will in future, be paying five-sevenths of all scheme expenditure.

*Clause 30* provides that the Crown will pay the full amount of certain benefits in cases where the contributor has contributed for those benefits to the Consolidated Fund.

*Clause 31* replaces section 65 to provide that interest on an emerged benefit is payable where it is allowed under the Act or the Board so determines. This allows the Board to pay interest, at the rate earned by the Fund, for the period a benefit is unclaimed.

*Clause 32* replaces the Part 7 heading (Application of Police Superannuation Act 1968-1971) in line with new drafting style.

*Clause 33* provides that the current Police Superannuation Board will be abolished on the commencement of the sections governing the restructured Board. The section also continues any delegation made before the commencement of the new delegation section.

## **PART 5—AMENDMENT OF STATE SERVICE SUPERANNUATION ACT 1972**

*Clause 34* cites the *State Service Superannuation Act 1972* as the Act amended in this Part.

*Clause 35* provides that members are entitled to at least the level of employer superannuation support required under the Commonwealth Superannuation Guarantee Charge legislation. The level of employer support is to be preserved if necessary under conditions determined by the Commonwealth Occupational Superannuation Standards Act 1987.

*Clause 36* amends section 35 to ensure that, a member who has preserved a benefit in the State Service Scheme and then again becomes an officer pursuant to the terms of the Act, may elect to rejoin the State Service Scheme, instead of being required to join the Q Super Scheme. This

amendment is for clarification only and reflects new drafting style used in the Police Superannuation Act 1974.

*Clause 37* replaces section 69 to provide that interest on an emerged benefit is payable where it is allowed under the Act or the Board so determines. This allows the Board to pay interest, at the rate earned by the Fund, for the period a benefit is unclaimed.

*Clause 38* provides for a number of non-policy administrative amendments to the Act arising from a rationalisation of the use of subordinate legislation.

## **PART 6—AMENDMENT OF SUPERANNUATION (GOVERNMENT AND OTHER EMPLOYEES) ACT 1988**

*Clause 39* provides for a number of non-policy administrative amendments to the Act arising from a rationalisation of the use of subordinate legislation.

## **PART 7—AMENDMENT OF SUPERANNUATION (PUBLIC EMPLOYEES PORTABILITY AND ACTS AMENDMENT) ACT 1985**

*Clause 40* cites the *Superannuation (Public Employees Portability and Acts Amendment) Act 1985* as the Act amended in this Part.

*Clause 41* omits redundant provisions already provided for in the *Acts Interpretation Act 1954*, the *Statutory Instruments Act 1992*, and the principal Act. It also places a definition-related provision in the definition section for ease of reference.

*Clause 42* amends subsection 6(2) to rationalise the use of subordinate legislation.

*Clause 43* provides for non-policy administrative amendments to section 12 arising from a rationalisation of the use of subordinate legislation.

*Clause 44* replaces section 13 (regulation-making power) in line with new drafting style and provides that orders in council existing prior to commencement of the section continue to have effect and may be amended by regulation.

## **PART 8—AMENDMENT OF SUPERANNUATION (STATE PUBLIC SECTOR) ACT 1990**

*Clause 45* provides for a number of non-policy administrative amendments to the Act arising from a rationalisation of the use of subordinate legislation.