

SUPERANNUATION (STATE PUBLIC SECTOR) AMENDMENT BILL 1999

EXPLANATORY NOTES

GENERAL OUTLINE

Objectives of the Legislation

The Bill will provide for the amendment of the *Superannuation (State Public Sector) Act 1990* for the acceptance of superannuation contributions on behalf of spouses of members of the State Public Sector Superannuation Scheme (QSuper).

Reasons for the Bill

The Commonwealth Government introduced from 1 July 1997, the ability of superannuants to contribute to superannuation funds on behalf of their spouses. An 18% tax rebate is also available if the spouse is categorised as “low income” or “non-working”. The amendments will permit spouses of QSuper members to join the Fund in order for such contributions to be paid.

Achievement of Objectives

The Bill provides for members of QSuper to make contributions on behalf of their spouse. Some members will also be eligible to receive an income tax rebate of up to 18% of spouse contributions. The Commonwealth Government introduced this initiative from 1 July 1997, and provides for the extension of superannuation coverage beyond the realms of the workforce, thus breaking the link between superannuation and employment. This is an industry wide initiative and places members of QSuper on an equal footing with their private sector counterparts.

Estimated Cost for Government Implementation

It is not envisaged that the amendment to the QSuper Act to allow spouses to contribute will have a cost impact on the schemes with such accounts being administered on a cost recovery basis.

Fundamental Legislative Principles

The Bill complies with fundamental legislative principles.

Consultation

- QSuper Board of Trustees (which includes representatives from key employee associations);
- Office of Parliamentary Counsel.

NOTES ON PROVISIONS**PART 1—PRELIMINARY**

Clause 1 specifies the short title of the Act

**PART 2—AMENDMENT OF *SUPERANNUATION
(STATE PUBLIC SECTOR) ACT 1990***

Clause 2 provides for the amendment of the *Superannuation (State Public Sector) Act 1990*.

Clause 3 amends the membership provisions of the Act to allow for the Minister to declare, by written notice, that spouses of current QSuper members are eligible for membership of the QSuper Fund. The provision also inserts a definition of a spouse for this purpose. As contributing QSuper members making contributions on behalf of spouses may be

entitled to an income tax rebate for such contributions it is essential for the definition of spouse to be closely aligned with the definition contained in the Income Tax Assessment Act 1936 (Commonwealth).

Clause 4 omits the definition of the term actuary, which is not required in the context of the Act.

Clause 5 amends an existing provision to ensure that the QSuper Board of Trustees may request all QSuper members, including members' spouses where contributions have been made to the fund on behalf of a spouse, to provide such information as the Board of Trustees may require to administer the Fund.