

LEGISLATIVE ASSEMBLY

(Brought from the Legislative Council)

A BILL

for

An Act to amend the *Local Authorities Superannuation Act 1958* and for other purposes.

BE IT ENACTED by the Queen's Most Excellent Majesty by and with the advice and consent of the Legislative Council and the Legislative Assembly of Victoria in this present Parliament assembled and by the authority of the same as follows (that is to say):

1. (1) This Act may be cited as the *Local Authorities Superannuation (Amendment) Act 1980*.

Short title.

(2) In this Act the *Local Authorities Superannuation Act 1958* is called the Principal Act.

Principal Act
No. 6298 as
amended by
Nos. 7996, 8054,
8452, 8819,
8993, 9004, 9006,
9143, 9329,
and 9360.

(3) The provisions of this Act shall be deemed to have come into operation on 1 March 1980.

Commence-
ment.

2. In section 1 of the Principal Act after the expression "Division 6—Effect on Contracts of Interruption of Employment s. 11JG" there shall be inserted the expression "Division 7—Minimum Benefits ss. 11JH—11JO".

Amendment of
No. 6298 s. 1.

3. In section 11HC (2) of the Principal Act for the expression "equal to 1.75 per centum of the salary of the employé" there shall be substituted the expression "not exceeding 1.75 per centum of the salary of the employé as determined by the Board on the advice of the actuary".

Amendment of
No. 6298
s. 11HC.

4. In Part I. of the Principal Act after Division 6 there shall be inserted the following Division:

“DIVISION 7—MINIMUM BENEFITS

Interpretation.

11JH. In this Division unless inconsistent with the context or subject-matter—

“Accumulated value.”

“Accumulated value” for a permanent employé who is a permanent employé on 29 February 1980 and continues to be a permanent employé from that date until the date of his death retirement or the termination of his employment on the grounds of his disability means the sum of—

- (a) one-half of the amount certified by an actuary to be the actuarial reserve as at 29 February 1980 of the contracts of the permanent employé deemed to be made pursuant to section 11C (1) and section 11HC (1);
- (b) one-half of any amount standing to the credit of the permanent employé in the Provident Fund together with interest at the prescribed rate as at 29 February 1980;
- (c) the amount of interest calculated in the manner prescribed on the amounts specified in paragraphs (a) and (b) from 1 March 1980 to the date on which benefits become payable;
- (d) one-half of any amounts payable under any policy of insurance effected under Division 2.

“Adjusted final salary.”

“Adjusted final salary” means the lesser of—

- (a) his salary immediately before benefits become payable; and
- (b) the greater of—
 - (i) his average salary during the last three years before the benefits become payable (or any lesser period for which he was a permanent employé); and
 - (ii) the sum referred to in sub-paragraph (i) multiplied by—

$$\frac{A+B}{2}$$

2B

where

A is the Average Weekly Earnings (Melbourne) Index published by the Commonwealth Statistician in respect of the last full quarter before benefits become payable; and

B is

B is the Average Weekly Earnings (Melbourne) Index published by the Commonwealth Statistician in respect of the corresponding quarter three years earlier (or, if he was a permanent employé for less than three years before benefits become payable, the last complete corresponding quarter before he became a permanent employé).

10 11JI. Notwithstanding anything to the contrary in this Act, where a permanent employé retires having attained the age of 60 years the total benefits to which he is entitled pursuant to Parts I. and II. (excluding any amounts payable under any contracts made under section 11C (3) and any amounts payable under Division 15 5) shall be not less than the sum of—

Retirement
benefits.

- (a) his accumulated value;
- (b) 10 per centum of adjusted final salary for each complete year (not exceeding 30) during which he continued to be a permanent employé after 29 February 1980 or 10 per centum of adjusted final salary whichever is the greater;
- (c) for a permanent employé who was a permanent employé on 29 February 1980 5 per centum of adjusted final salary for each of the number of complete years during which he continued to be a permanent employé (not exceeding 30) before he attained the age of 65 years less the number of complete years of service calculated under paragraph (b).

11JJ. The regulations shall provide for the classification of each permanent employé into one of the following classes:

Classification.

- 30 (a) Category 1;
- (b) Category 2;
- (c) Category 3—

for the purposes of this Division.

35 11JK. Notwithstanding anything to the contrary in this Act, where the employment of a permanent employé is terminated on the grounds of disability the total of the amounts credited to his beneficiary's account pursuant to paragraphs (a), (b) and (c) of section 11HD (2) other than amounts credited by virtue of any contract made under section 11C (3) shall not be less than the sum of—

Disability
benefits.

- 40 (a) his accumulated value;
- (b) where a permanent employé is in Category 1, 10 per centum of adjusted final salary for each complete year after 29 February 1980 (not exceeding 30) from the time he last became a permanent employé to the time when he

would

would (if he survived) attain the age of 65 years or 10 per centum of adjusted final salary whichever is the greater;

- (c) where a permanent employé is in Category 2, that proportion of the sum of the amounts calculated in accordance with paragraphs (b) and (e) which the amount which would have been payable under Division 3 had he died on the date of the termination of his employment (excluding amounts payable by virtue of any contracts made under section 11C (3)) bears to the amount which would have been so payable if he had been in Category 1 instead of Category 2; 5 10
- (d) where a permanent employé is in Category 3, 10 per centum of adjusted final salary for each complete year after 29 February 1980 (not exceeding 30) from the time he last became a permanent employé to the date of termination of employment; 15
- (e) where the permanent employé was a permanent employé on 29 February 1980, 5 per centum of adjusted final salary for each of the number of complete years from the time he last became a permanent employé to the time when he would (if he survived) attain the age of 65 years (not exceeding 30) less the number of such complete years which occurred after 29 February 1980. 20

Death benefits.

11JL. Notwithstanding anything to the contrary in this Act, where a permanent employé dies the total of the benefits payable pursuant to Parts 1. and II. (excluding amounts payable by virtue of any contracts made under section 11C (3) and any amounts payable under Division 5) shall not be less than the sum of— 25

- (a) his accumulated value; 30
- (b) where a permanent employé is in Category 1, 10 per centum of adjusted final salary for each complete year after 29 February 1980 (not exceeding 30) from the time he last became a permanent employé to the time when he would (if he survived) attain the age of 65 years or 10 per centum of adjusted final salary whichever is the greater; 35
- (c) where a permanent employé is in Category 2 that proportion of the sum of the amounts calculated in accordance with paragraphs (b) and (e) which the amount which would have been payable under Division 3 but for this provision (other than amounts payable by virtue of any contract made under section 11C (3)) bears to the amount which would have been so payable if he had been assigned to Category 1 instead of Category 2; 40 45

(d) where

(d) where a permanent employé is in Category 3, 10 per centum of adjusted final salary for each complete year after 29 February 1980 (not exceeding 30) from the time he last became a permanent employé to the date of his death;

(e) where a permanent employé was a permanent employé on 29 February 1980, 5 per centum of adjusted final salary for each of the number of complete years during which he continued to be a permanent employé (not exceeding 30) less the number of such complete years which occurred after 29 February 1980.

11JM. (1) Where at any time after 1 March 1980 the Board causes an actuarial investigation under section 11JA to be made and an actuary makes a determination under section 11JB (1) the actuary shall make a determination as to the proportion of the salaries paid or to be paid to permanent employés by authorities that is required to be paid by authorities to the Board under this Division during the period of three years following the date as at which he makes the investigation.

(2) As soon as may be after 1 March 1980 the Board shall cause a similar determination to be made by an actuary in respect of the period beginning on 1 March 1980 and ending on 28 February 1982.

(3) Authorities shall be liable to pay that proportion of the salaries so paid to the Board during the relevant period accordingly and such contributions shall be paid into the Authorities Fund.

11JN. (1) Where the total amount payable to a permanent employé or his legal personal representative under this Act in respect of death, disability or retirement is increased by the operation of this Division the additional amount so payable shall be payable from the Authorities' Fund.

(2) If at any time there is a deficiency in the Authorities Fund, the Board may cause such sum as is necessary to be advanced to the Authorities Fund from the Contracts Account, and any such sum shall be repaid with interest at such rate as is determined by the Board when the Board is satisfied that it is no longer required for the purposes of this Division.

11Jo. (1) The Governor in Council on the recommendation of the Board may make regulations for or with respect to prescribing any matter or thing authorized or required to be prescribed for the purposes of this Division or designed to better carry out or give effect thereto.

(2) Any such regulation may make different provision in respect of different classes of permanent employés or according to differing circumstances of any kind, or may leave any matter or thing to be determined by the Board.

(3) The

(3) The Board shall not recommend the making of any regulations under this Division unless the proposed regulations have first been approved by an actuary.”.

(1) The Board shall not recommend the appointment of any person to any position in the service of the Government unless it is satisfied that the person is qualified for the position and that his appointment is in the public interest.

