

Hospitals Superannuation Bill

EXPLANATORY MEMORANDUM

PART 1—PRELIMINARY

Clause 1 states the purpose of the Act.

Clause 2 provides for proclamation of the Act.

Clause 3 defines a number of technical and other frequently used terms.

Clause 4 enables certain improvements to benefits to date from 1 January 1988.

PART 2—HOSPITALS SUPERANNUATION BOARD

Clause 5 establishes the Board.

Clause 6 states the objectives and duties of the Board.

Clause 7 provides for the Board to consist of 7 members, including 3 elected by employees who are members of the Fund.

Clause 8 provides that the term of office of a Board member is 5 years or less.

Clause 9 states the circumstances in which Board members cease to be members, and the methods for filling vacancies.

Clause 10 enables appointment of deputy Board members.

Clause 11 provides for removal or suspension of Board members.

Clause 12 enables payment of Board members.

Clause 13 states the procedures for Board meetings.

Clause 14 permits the Board, subject to the approval of the Treasurer, to employ staff and to engage an actuary.

Clause 15 authorises delegations by the Board.

PART 3—HOSPITALS SUPERANNUATION BOARD

Clause 16 provides for the continuation of the existing Hospitals Superannuation Fund, and the merging of a number of separate funds operated by the Board under the existing legislation.

Clause 17 requires the Board to keep a management account for its expenses of administering the Fund.

Clause 18 enables the Board to continue a Welfare Account to make grants or loans to members or dependants.

Clause 19 continues the application of the *Borrowing and Investment Powers Act 1987* to the Board.

Clause 20 requires the Board to keep proper accounts and records.

Clause 21 requires the Board to submit an annual report.

Clause 22 requires the annual financial statements of the Board to be audited by the Auditor-General.

Clause 23 requires actuarial investigations of the Fund at 3 year intervals.

PART 4—PART-TIME AND CASUAL EMPLOYEES

Clause 24 sets out definitions required to extend the operation of the Act to casual and part-time employees.

Clause 25 sets out the principles for calculation of benefits and contributions for casual and part-time employees.

PART 5—CONTRIBUTIONS

Clause 26 provides for admission of institutions (employers) to the Fund. Institutions will be divided between Class A (most public sector hospitals and institutions) and Class B (others). Members who become trade union and professional employee association officials may remain members of the Fund.

Clause 27 permits institutions to be transferred between classes A and B.

Clause 28 allows Class B institutions to withdraw from the Fund on conditions fixed by the Board.

Clause 29 enables the Board to fix the contributions required from institutions.

Clause 30 states the optional rates of contributions by members, other than casual employees who must be non-contributors.

Clause 31 makes transitional provisions for existing members of the Fund.

Clause 32 enables the Board to continue to accept supplementary contributions from members.

PART 6—BENEFITS

Clause 33 sets out the details of the basic benefits to be provided for all members of the Fund, whether or not the members make personal contributions.

Clause 34 sets out the additional retirement benefits payable to members who make optional contributions.

Clause 35 sets out the additional death benefits for members who make optional contributions.

Clause 36 sets out the additional disability pensions for members who make optional contributions.

Clause 37 sets out the additional resignation benefits for members who make optional contributions. Except for small benefits all amounts in excess of contributions by the members plus interest earnings must be deferred until genuine retirement.

Clause 38 states the benefits for members who are retrenched.

Clause 39 enables the Board to accept moneys from other funds and to grant additional benefits.

Clause 40 enables the Board to protect existing rights of certain contributors.

PART 7—GENERAL PROVISIONS

Clause 41 makes provision for members who have breaks in service.

Clause 42 provides options for members granted leave of absence.

Clause 43 gives the Board powers to require provision of necessary information.

Clause 44 gives the Board power to review medical classifications in certain circumstances.

Clause 45 gives the Board powers to inspect employment records.

Clause 46 states the procedures for determining whether members are suffering disability.

Clause 47 enables the Board to review determinations relating to disability.

Clause 48 enables the Board to suspend a disability pension until medical evidence is available.

Clause 49 provides that the total of disability pensions and WorkCare benefits must not exceed 95% of salary.

Clause 50 enables members who join other approved superannuation schemes to withdraw from the Fund.

Clause 51 allows members to defer receipt of their benefits and receive interest on them. Interest is credited automatically when a benefit payment is delayed 21 days or more.

Clause 52 allows appeals to the Administrative Appeals Tribunal.

Clause 53 states the basis for cost of living indexation of all pensions payable by the Board, and of deferred benefits.

Clause 54 protects benefits in the event of bankruptcy or incapacity.

Clause 55 enables the Board to pay benefits to other persons in certain circumstances.

Clause 56 prohibits assignments of benefits.

Clause 57 states the basic conditions for payment of benefits.

Clause 58 makes provision for dealings with minors.

Clause 59 enables Regulations to be made for the operation of the Fund. The Regulations will include transitional arrangements in respect of persons entitled to benefits under the repealed legislation.

Clause 60 repeals miscellaneous legislation in relation to the Hospitals Superannuation Fund.

