

## Superannuation Acts (Miscellaneous Amendment) Bill

### EXPLANATORY MEMORANDUM

#### PART 1—PRELIMINARY

- Clause 1 states the purpose of the Bill: to amend certain specified Superannuation Acts to further improve the administration of public sector superannuation schemes.
- Clause 2 provides the commencement arrangements for the provisions.

#### PART 2—AMENDMENT OF LOCAL AUTHORITIES SUPERANNUATION ACT 1988

- Clause 3 inserts provisions to allow the Board to request actuarial determinations at any time with regard to any additional amounts to be paid by an Authority in respect of the unfunded liability of the defined benefits scheme of the Local Authorities Superannuation Fund.
- Clause 4 expands the charging powers of the Local Authorities Superannuation Board and provides for the Minister to approve any proposed determination by the Board in relation to the unfunded liability of the defined benefits scheme of the Local Authorities Superannuation Fund.

#### PART 3—AMENDMENT RELATING TO PORT OF MELBOURNE AUTHORITY SUPERANNUATION FUND

- Clause 5 repeals a provision in the **Port of Melbourne Authority Act 1958** that exercises control over the Port of Melbourne Authority Superannuation Fund so that the trustees of this Fund can make a valid election for the Fund to become regulated under the Commonwealth Superannuation Industry (Supervision) Act 1993. The repeal of this provision meets the requirement, under Commonwealth legislation, that the trustees of the Fund cannot be directed by another person except by those specified in the Superannuation Industry (Supervision) Act 1993.
- Clause 6 revokes the Superannuation (Portability) Regulations 1991, which are now redundant.
- Clause 7 is a consequential amendment to the removal of State control over the Port of Melbourne Authority Superannuation Fund inserted in clause 5. It revokes the

Port of Melbourne Authority (Superannuation) Regulations 1989 which are to be replaced by a trust deed to be executed by the trustees of the Port of Melbourne Authority Superannuation Fund.

- Clause 8 is a consequential amendment to the removal of State control over the Port of Melbourne Authority Superannuation Fund inserted in clause 5. It removes this fund from the jurisdiction of a section of the **Public Sector Superannuation (Administration) Act 1993** applying to public sector superannuation schemes.
- Clause 9 inserts new provisions to cover the transfer of pensioners from the Port of Melbourne Authority Superannuation Fund (PMASF) to the State Superannuation Fund (SSF). These provisions cover those who are receiving a pension from the PMASF as at the date of transfer. The provisions enable the pensioners, who are former public sector employees, to continue to be serviced by a superannuation fund with an ongoing connection to the Government of Victoria. The benefits of the transferred pensioners are not affected by the transfer and the trustees of the PMASF are required to transfer to the SSF assets equal to the liabilities for these beneficiaries. The provisions provide a timetable for the transfer of assets and liabilities. It also requires agreement to be reached between the trustees of the PMASF and the Victorian Superannuation Board on the assets to be transferred from the PMASF. Where agreement cannot be reached, the Minister has the power to intervene and determine the matter. The assets must be transferred by 27 June 1996 or on an earlier date agreed to by the parties.

It inserts provisions conferring the duties and powers of the trustees of the PMASF to the Victorian Superannuation Board (VSB), and provides that the VSB is not constrained by the governing rules of the PMASF in making investments or calculating interest. It also extends the right of review and disputes resolution in the governing rules of the SSF to the transferred PMASF pensioners.

#### **PART 4—GENERAL AMENDMENTS**

- Clause 10 is a consequential amendment to the winding up of the Port of Geelong Authority Superannuation Fund. It removes this fund from the jurisdiction of a section of the **Public Sector Superannuation (Administration) Act 1993** applying to public sector superannuation schemes.
- Clause 11 amends the definition of "employee" in the **State Employees Retirement Benefits Act 1979** to permit continuation of membership when the member transfers employment to any category of employer recognised by the **State**

**Employees Retirement Benefits Act 1979, the State Superannuation Act 1998 and the Transport Superannuation Act 1988.**

Clause 12 amends the definition of "officer" in the **State Superannuation Act 1988** to permit continuation of membership when the member transfers employment to any category of employer recognised within the **State Superannuation Act 1988** or by the **State Employees Retirement Benefits Act 1979** and the **Transport Superannuation Act 1988**.

Clause 13 extends the application of the transfer option, which allows members of statutory superannuation schemes who transfer employment to an "approved employer" to transfer their discounted accrued retirement benefit to a complying superannuation fund, to members who transfer employment to a "public authority" recognised under the **Superannuation (Portability) Act 1989**.

Clause 14 corrects an error relating to the section numbers allocated to a provision inserted in the **Melbourne and Metropolitan Board of Works Act 1958** via the **Superannuation Acts (Amendment) Act 1996**.

Clause 15 corrects errors relating to the commencement date nominated and a section number allocated to 2 provisions in the **Superannuation Acts (Further Amendment) Act 1996**.

Clause 16 repeals the **Superannuation Acts (Further Amendment) Act 1996** as all the provisions have come into operation.

Clause 17 amends the definition of "employee" in the **Transport Superannuation Act 1988** to permit continuation of membership when the member transfers employment to any category of employer recognised within the **Transport Superannuation Act 1988** or by the **State Superannuation Act 1998** and the **State Employees Retirement Benefits Act 1979**.

Clause 18 is Statute Law revision.

