

## Superannuation Acts (Amendment) Bill

### EXPLANATORY MEMORANDUM

#### PART 1—PRELIMINARY

*Clause 1* states the purpose of the Act.

*Clause 2* sets out the dates on which sections of the Act come into operation.

#### PART 2—AMENDMENT OF PARLIAMENTARY SALARIES AND SUPERANNUATION ACT 1968

*Clause 3* extends the definition of child to include step-children, adopted children of the former member or his or her spouse and to a child born 10 months or less after the death of the former member.

*Clause 4* enables pensions to be adjusted from the first instalment payable from 1 February 1994 to incorporate the adjustment to a member's basic salary which was deferred until 1 January 1994. The provision precludes the inclusion of this increase from the further annual adjustment in pension payable in February 1995.

#### PART 3—AMENDMENT OF HOSPITALS SUPERANNUATION ACT 1988

*Clause 5* reduces the size of the Hospitals Superannuation Board from 7 to 6 members including the President. The number of Ministerial nominees other than for the member nominated to be President is reduced from 2 to 1.

#### PART 4—AMENDMENT OF STATE SUPERANNUATION ACT 1988

*Clause 6* makes separate provisions for a contract officer who is an executive officer within the meaning of section 4 (1) of the **Public Sector Management Act 1992** employed under a contract of employment and for any other officer declared or deemed by the Minister to be a contract officer. In both cases, the purpose of the amendment is to enable the employing authority to notify the Board about the salary for superannuation purposes of an officer with a contract of employment. For any contract officer, these provisions will apply instead of the Board determining the salary of the officer for superannuation purposes under section 3 (1) of the **State Superannuation Act 1988**.

*Clause 7* clarifies the method to calculate the accrued retirement benefit of a member who elects to transfer to the new scheme from the revised scheme. The accrued retirement benefit is the sum of the transfer multiple of final average salary calculated in accordance with section 61D of the **State Superannuation Act 1988** and the accrued retirement benefit calculated under section 52 (2) of that Act. Recognised service for membership which occurs after the member transfers is only to be used for the calculation of the accrued retirement benefit under section 52 (2).

*Clause 8* ensures that in the definition of YA only the recognised service which occurred up to and including the date of transfer to the new scheme from the revised scheme is counted. Where the Board has to reduce the value of TM, it does so only for recognised service which occurs before the date of transfer.

## **PART 5—AMENDMENT OF TRANSPORT SUPERANNUATION ACT 1988**

*Clause 9* enables the Victorian Superannuation Board to transfer to the Transport Superannuation Fund members and beneficiaries of an administered scheme in accordance with section 60 of the **Public Sector Superannuation (Administration) Act 1993**.

## **PART 6—AMENDMENT OF EMERGENCY SERVICES SUPERANNUATION ACT 1986**

*Clause 10* amends the definition of employee so that the scheme can use the definition of a part-time employee in the regulations made under the Commonwealth Occupational Superannuation Standards Act 1987 and the designated emergency services can meet their superannuation guarantee obligations for specified employees, including casual employees. The separation of employees into operational staff members and non-operational staff members for the purpose of superannuation benefits is done by regulations.

## **PART 7—AMENDMENT OF PUBLIC SECTOR SUPERANNUATION (ADMINISTRATION) ACT 1993**

*Clause 11* is a standard clause to repeal spent provisions of the **Public Sector Superannuation (Administration) Act 1993**.