

1998/99/00/01

**THE PARLIAMENT OF THE COMMONWEALTH OF
AUSTRALIA**

SENATE

**SUPERANNUATION LEGISLATION (COMMONWEALTH
EMPLOYMENT – SAVING AND TRANSITIONAL PROVISIONS)
BILL 1998**

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments to be moved on behalf of the Government

(Circulated by the authority of the Minister for Finance and Administration, the Hon
John J Fahey, MP)

AMENDMENTS OF THE SUPERANNUATION LEGISLATION (COMMONWEALTH EMPLOYMENT – SAVING AND TRANSITIONAL PROVISIONS) BILL 1998

OUTLINE OF AMENDMENTS

Current provisions in the Bill

The *Superannuation Legislation (Commonwealth Employment - Saving and Transitional Provisions) Bill 1998* was introduced into Parliament in a package of Bills to make amendments to the various Acts which provide, amongst other things, for superannuation schemes for employees of the Commonwealth and agencies.

The major purpose of the package is to enable choice of superannuation funds for new Commonwealth employees from 1 July 1999 and for existing Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) members from 1 July 2000. The Bills provide for the PSS to be closed to new members from 1 July 1999.

Other significant changes include new administration arrangements for the Commonwealth's superannuation schemes for its civilian employees. The Commonwealth Superannuation Board (the CS Board) will be established to take over the responsibility for the management of the CSS and the PSS from the current CSS and PSS Boards while continuing to maintain the separate CSS and PSS Funds. The CS Board will also have responsibility for the administration of two other schemes that were closed at an earlier date.

The package will repeal the *Superannuation Act 1976* (the 1976 Act), the *Superannuation Act 1990* (the 1990 Act), the *Superannuation Act 1922* (the 1922 Act) and the relevant provisions of the *Papua New Guinea (Staffing Assistance) Act 1973*. However, the repealed legislation will be saved to have effect only in relation to existing members and any other persons who may have entitlements under those Acts in the future, for example, reversionary beneficiaries.

Proposed amendments

These amendments, along with the amendments proposed to the other Bills in the package, are intended to change the date of effect of the new superannuation arrangements for Commonwealth civilian employees from 1 July 1999 to 1 July 2003 including:

- closing the PSS to new employees;
- allowing existing CSS and PSS members to choose to leave their scheme;
- amalgamating the CSS and PSS Boards into the CS Board;
- repealing the legislation with savings provisions.

In addition there are:

- technical amendments to ensure the provisions work as intended;

- further technical amendments to comply with other changes relating to the New Tax Arrangements and the Criminal Code; and
- amendments to remove provisions which restricted access to cash lump sums for CSS and PSS members who were retrenched between 1 July 1999 and 30 June 2000.

Financial Implications

This amendment does not involve any additional Budget costs.

NOTES ON AMENDMENTS TO THE SUPERANNUATION LEGISLATION (COMMONWEALTH EMPLOYMENT – SAVING AND TRANSITIONAL PROVISIONS) BILL 1998

Amendments 1 to 6 –Date of commencement of provisions

Amendments 1 to 6 change the date of effect of a number of provisions in the *Superannuation Legislation (Commonwealth Employment -Saving and Transitional Provisions) Bill 1998* (the Saving and Transitional Bill) as a consequence of amendments to the *Superannuation Legislation (Commonwealth Employment) Repeal and Amendment Bill 1998* (the Repeal and Amendment Bill). Those amendments change the date of new superannuation arrangements for Commonwealth civilian employees from 1 July 1999 to 1 July 2003.

Amendments 7 and 8 – Consequential amendments arising from the Administrative Review Tribunal Act 2001

2. Clause 9 of the Saving and Transitional Bill ensures that appeals made to the Administrative Appeals Tribunal (AAT) and not determined prior to the repeal of section 154 of the 1976 Act can continue to be considered by the AAT. The *Administrative Review Tribunal Act 2001* (the ART Act) will amalgamate a number of tribunals, including the AAT, into the Administrative Review Tribunal (ART). **Amendments 7 and 8** amend clause 9 of the Saving and Transitional Bill to ensure that the provision can work whether or not the ART Act has been passed.

Amendments 9 to 11 –Date of commencement of provisions

3. **Amendments 9 to 11** change the date of effect of a number of provisions in the Saving and Transitional Bill as a consequence of amendments to the Repeal and Amendment Bill.

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