

# **Superannuation (CSS) Continuing Contributions for Benefits Regulations (Amendment) 1996 No. 6**

EXPLANATORY STATEMENT

STATUTORY RULES 1996 No. 6

Issued by the Authority of the Minister for Finance

*Superannuation Act 1976*

Superannuation (CSS) Continuing Contributions for Benefits Regulations (Amendment)

The *Superannuation Act 1976* (the Act) makes provision for and in relation to an occupational superannuation scheme, the Commonwealth Superannuation Scheme (the CSS), for certain Commonwealth employees and other persons, including employees of approved authorities.

Section 168 of the Act provides that the Governor-General may make regulations for the purposes of the Act.

The *Superannuation Industry (Supervision) Act 1993* and regulations under that Act (SIS) provide for a regulatory system for superannuation schemes which are regulated superannuation funds under that Act and the CSS is a regulated superannuation fund.

To ensure that the CSS complies with SIS requirements, the Regulations amend the **Superannuation (CSS) Continuing Contributions for Benefits Regulations** (the Principal Regulations) to provide that a regulated superannuation fund not accept contributions made by or in respect of a member over age 65, or allow an additional benefit accrual after that age, other than in special circumstances.

Persons eligible to contribute to the CSS (ie, CSS members) are referred to in the Act as eligible employees. In accordance with paragraph (ca) of the definition of "eligible employee" in subsection 3(1) of the Act the term includes a person to whom section 14A applies. Section 14A of the Act provided that regulations made under that section may specify a class of persons to whom the section does not apply and may fix a time at which the section ceases to apply to a person. Regulations for the purposes of section 14A are contained in the Principal Regulations.

SIS does not permit the payment of contributions by or on behalf of a member of a regulated superannuation fund in certain circumstances.

Regulation 1 provides that the Principal Regulations are amended as set out in the amending Regulations.

Regulation 2 amends regulation 3 of the Principal Regulations which lists the classes of persons to whom section 14A does not apply to include a new class. A person included in the new class is described as "a contributions-barred person" and is, because of SIS, a person from whom a regulated superannuation fund may not accept contributions.

The amendment further provides for persons who are CSS members at the commencement of this regulation, and who remain members, to be excluded from the effect of this regulation. Also to be excluded are persons who become CSS members after the commencement of this regulation and who later become persons included in the class. This ensures that the existing

members (who continue to be members) or future members who join the scheme while still permitted by SIS to contribute are not affected by the amendment.

The amending Regulations commenced on the date of gazettal.