

Superannuation (CSS) Former Eligible Employees Regulations (Amendment) 1996 No. 268

EXPLANATORY STATEMENT

STATUTORY RULES 1996 No. 268

Issued by the Authority of the Minister for Finance

Superannuation Act 1976

Superannuation (CSS) Former Eligible Employees Regulations (Amendment)

The *Superannuation Act 1976* (the Act) makes provision for and in relation to an occupational superannuation scheme for certain Commonwealth employees and other persons. Section 168 of the Act provides that the Governor-General may make regulations for the purposes of the Act. Persons eligible to contribute under the Act are referred to as "eligible employees". The term "eligible employee" is defined under subsection 3(1) of the Act. Section 126A of the Act provides that regulations may modify the Act in its application to, or in respect of, a person who ceases to be an eligible employee and who, immediately after ceasing, becomes a member of another superannuation scheme. Section 155B of the Act provides that regulations may modify the Act in its application to or in respect of a person who ceases to be an eligible employee on taking up employment with the purchaser or transferee of an organisation, business, service, asset or function. Regulations for the purposes of sections 126A and 155B of the Act are contained in the Superannuation (CSS) Former Eligible Employees Regulations. The proposed amendments to the Regulations:

- (i) correct an omission in Schedule 11A whereby the applicable pension benefit for former eligible employees who become eligible for retrenchment benefits due to the operation of Superannuation (CSS) Former Eligible Employees Regulation 15A is unable to be calculated due to a restrictive cross reference;
- (ii) make minor grammatical changes to the text of Regulation 15A and Schedule 11A for consistency purposes; and
- (iii) renumber a paragraph in Item 1 of Schedule 11A so as to conform to current conventions.

Details of the amendments are attached. The amendments will come into effect on gazettal.

ATTACHMENT

SUPERANNUATION (CSS) FORMER ELIGIBLE EMPLOYEES REGULATIONS (AMENDMENT)

The details of the amendments to the Regulations are as follows:

Regulation 15A

Subregulation 15A (2) is modified by replacing "an facility" with "a facility" so as to correct the grammatical error.

Subregulation 15A (3) is modified by replacing "the nominated" with "a nominated" so as to reflect a general application inserted by a previous amendment.

Schedule 11A

Item 1 is modified by renumbering paragraph "3B" as "3AA".

Item 3 is modified by replacing "notional final rate of salary" with "notional final annual rate of salary" for the purpose of clarification.

Item 4 is modified by replacing "For the purposes of subsection 61(4), the final rate" with "For the purposes of subsections 56(4) and 61(4), the final annual rate". This is done for consistency with Item 3 (as modified above) and to specify the rate of annual salary that is to be used in the calculation of a retrenchment pension for persons receiving such a benefit under Regulation 15A.