EXPLANATORY STATEMENT

MILITARY SUPERANNUATION AND BENEFITS TRUST DEED
(AMENDMENT) (NO.1 OF 1994)

ISSUED BY THE AUTHORITY OF THE MINISTER FOR DEFENCE
SCIENCE AND PERSONNEL

The Schedule to the Trust Deed made by the Minister for Defence Science
and Personnel under section 5 of the Military Superannuation and Benefits
Act 1991 (the "MSB Act") contains Rules ("the MSB Rules") which deal with:

a. the contributions to be made by members of the Defence Force who are
members of the Military Superannuation and Benefits Scheme (the
"MSB scheme") established by the Trust Deed in accordance with
section 4 of the MSB Act; and

b. the benefits to be provided to members of the MSB scheme upon
retirement or to dependants of deceased members of the scheme.

The Minister is empowered, by subsection 5(1) of the MSB Act, to amend the
Trust Deed (including the MSB Rules), by an instrument which, by subsection
49(1) of the MSB Act, is a disallowable instrument for the purposes of section
46A of the Acts Interpretation Act 1901.

Under certain circumstances, members of the MSB scheme may elect to
contribute while on leave without pay. The amendment extends the ability to
pay contributions to members granted leave without pay for compassionate
reasons.

1. Amendment

This clause is formal.

2. Rule 7 (Contributions while on other leave without pay)

Subclause 2.1 inserts a provision in the Rules so as to enable a member who
is on leave without pay on compassionate grounds to continue to pay
contributions. The subclause provides that the member may elect, with the
approval of the Board, to pay contributions in respect of all or part of the
period of leave but not exceeding two years. The election must be made
before the expiration of the period of leave without pay.
3. Rule 10 (Liability of Department to pay employer contributions)

Subclause 3.1 inserts a provision which provides that in a case where a member is on leave without pay on compassionate grounds, the employer contribution is not payable in respect of the member.