EXPLANATORY STATEMENT

MILITARY SUPERANNUATION AND BENEFITS AMENDMENT TRUST DEED 1999 (NO. 3)

ISSUED BY THE AUTHORITY OF THE MINISTER FOR VETERANS' AFFAIRS AND MINISTER ASSISTING THE MINISTER FOR DEFENCE

The Schedule to the Trust Deed made by the Minister Assisting the Minister for Defence under section 5 of the *Military Superannuation and Benefits Act 1991* (the "MSB Act") contains Rules ("the MSB Rules") which deal with: the benefits to be provided to members of the MSB scheme upon retirement or to dependants of deceased members of the scheme. The benefits payable are a member benefit based on member contributions and interest accrued and an employer benefit which includes employer contributions.

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*.

The amendments made by the Military Superannuation and Benefits Amendment Trust Deed 1999 (No. 3) amend the Rules to remove the terms "credit union" and "building society" and replace them with references to the term "bank". The amendments also add a definition of the term "bank".

Under Stage Two of the Financial Sector Reforms, credit unions and building societies will be regulated under the Banking Act 1959 as authorised deposit-taking institutions. Under the Banking Act credit unions and building societies will be embraced in the single term "bank".

Clause 1 – Name of Instrument

This clause is formal.

Clause 2 - Commencement

This clause provides for commencement on gazettal.

Clause 3 – Amendment of Trust Deed made under the *Military Superannuation and Benefits Act 1991*.

This clause is formal.

Schedule 1 - Amendments

Subrule 2(1) and Schedule 1 have been amended to include a definition of "bank".
Paragraphs 68(b) and 68(c) have been amended to make reference only to the single term "bank".