

Superannuation (Salary) Regulations (Amendment) 1993 No. 102

EXPLANATORY STATEMENT

STATUTORY RULES 1993 No. 102

Issued by the authority of the Minister for Finance

Superannuation Act 1976

Superannuation (Salary) Regulations (Amendment)

The *Superannuation Act 1976* (the Act) makes provision for and in relation to an occupational superannuation scheme for Commonwealth employees and for certain other persons. Members of the scheme are referred to in the Act as eligible employees.

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

Subsection 5(2) of the Act provides that, subject to subsection 5(3), the annual rate of salary of an eligible employee on a particular day is an amount equal to the amount per amount of the salary payable to him on that day.

Subsection 5(3) of the Act provides that the regulations may provide that an eligible employee's annual rate of salary on a particular day shall be such amount as is ascertained under the regulations.

Regulations for the purposes of section 5 of the Act are contained in the Superannuation (Salary) Regulations (the Principal Regulations).

The rate of contribution payable under the Act by an eligible employee is expressed in the Act as a percentage of his or her fortnightly rate of salary. The rate of pension payable is expressed as a percentage of his or her final annual rate of salary. The terms 'fortnightly rate of salary' and 'final annual rate of salary' are both defined in subsection 3(1) of the Act by reference to the eligible employee's annual rate of salary.

Part 2E of the Principal Regulations provides for the annual rate of salary for certain eligible employees who are employed on flexible remuneration packages. Flexible remuneration packages allow recipients to choose receive some of their remuneration in a non-monetary form instead of as salary; the components of such a package can be varied from time to time.

The annual rate of salary of a person referred to in Part 2E of the Principal Regulations is the percentage, set down in Schedule 1 to the Principal Regulations, of the total value of the person's package.

The annual rate of salary for the purposes of the Act of certain persons who are working for the CSIRO and who are in receipt of flexible remuneration packages, are now specified in Schedule 1.

Schedule 1 of the Principal Regulations contained 2 Parts which listed those "Employees of Certain Authorities" and "Employees Holding Office Under Certain Laws" to whom the provisions of Part 2E applied. The former Parts of Schedule 1 did not appropriately provide for the specific category of CSIRO employees to whom Part 2E of the Principal Regulations now apply and a

third Part to Schedule 1 was introduced to enable a more accurate description of the CSIRO employees affected by the Principal Regulations.

To this end, the regulations amend the Principal Regulations.

The amendments contained in the regulations are explained in the Attachment.

The regulations operate from the date of gazettal.

ATTACHMENT

SUPERANNUATION (SALARY) REGULATIONS (AMENDMENT)

The details of the regulations are as follows -

Regulation 1

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

Regulation 2

Regulation 2 amends the heading of Part 2E of the Principal Regulations from "Part 2E Certain Employment Agreements" to "Part 2E - Flexible Remuneration Packages". This heading is more suitable in reflecting the contents of this Part.

Regulation 3

Part 2E of the Principal Regulations comprises regulations 8P, 8Q and 8QA. Regulation 8P of the Principal Regulations previously defined the terms "relevant agreement", "relevant authority" and "relevant office". The former definitions of relevant authority and relevant office were pertinent when referring to Schedule 1 of the Principal Regulations for the purposes of determining the appropriate annual rate of salary.

The amendments to the Principal Regulations introduce a third Part to Schedule 1 of the Principal Regulations. As part of the amendments to accommodate this new Part, the definitions of "relevant authority" and "relevant office" are no longer required. Regulation 3 omits these definitions.

Regulation 3 does not affect the operation of Part 2E of the Principal Regulations

Regulation 4

Regulation 8Q formerly applied, subject to regulation 8QA, to prescribed eligible employees who were listed under Part 1 or 2 of Schedule 1. Subregulation 8Q(1) previously identified these persons to include eligible employees who were appointed or employed by a relevant authority or who hold a relevant office under, or in accordance with, a relevant agreement. Subregulation 8Q(1) also provides that the regulation applies to eligible employees who were employed by or under a law stated in column 2 of Part 2 of Schedule 1 under, or in accordance with, a relevant agreement.

In their previous form, subregulations 8Q(2) and 8Q(3) provided for the determination of the annual rate of Wary of an eligible employee to whom regulation 8Q applied. The annual rate of salary is determined by multiplying the total yearly value of the employee's remuneration by the percentage in Column 3 of Schedule 1 (previously defined as 'n percent' in subregulation 8Q(3)) that is prescribed in respect of the class of persons to which the employee belongs.

Regulation 4 simplifies regulation 8Q(1) by referring directly to Schedule 1, without reference to the definition of relevant authority or relevant office, when defining the eligible employees to whom this regulation applies. Regulation 4 also simplifies subregulation 8Q(2) by referring directly to the percentage in column 3 of Schedule 1 without the need to define n percent.

Regulation 4 does not affect the operation of part 2E of the Principal Regulations.

Regulation 5

Regulation 5 amends the headings to Part 1 and Part 2 of Schedule 1 to more accurately cover the items listed within each part. Regulation 5 also inserts a third Part to Schedule 1 which contains items referring to "Persons Holding Certain Offices".

In keeping with the revised headings for Part 1 and Part 2 in Schedule 1 and the inserted Part 3 to this Schedule, items 3, 4 and 5 from Part 2 have been omitted and inserted in Part 3 accordingly. Operation of these items are not affected by this modification.

The following class of eligible employees and the appropriate percentage has been inserted under Item 4 in Part 3 of Schedule 1:

- Employees holding an office established under the *Science and Industry Research Act 1949* and known as Institute Director 76.6%.