

EXPLANATORY STATEMENT

STATUTORY RULES 1990 NO. 167
ISSUED BY THE AUTHORITY OF THE MINISTER FOR FINANCE

SUPERANNUATION ACT 1976
DECLARATION UNDER SECTION 110D

The Superannuation Act 1976 (the Act) provides for a superannuation scheme for Commonwealth employees.

Section 64 of the Superannuation Legislation Amendment Act 1990 (the Amending Act) amended the Act to by inserting a new Part VIA (comprising new sections 110A to 110S) in the Act to provide, with effect from 1 July 1990, a funded productivity superannuation benefit for members of the scheme.

The new section 110H requires the employer of a member of the scheme to pay fortnightly "productivity contributions" to the Commissioner for Superannuation in relation to the member. In accordance with section 110N, such contributions are to be paid by the Commissioner to the Superannuation Fund. They will then accumulate with interest for the member's benefit.

The fortnightly rate of productivity contribution payable by an employer in relation to a member is set out in the Table in the new section 110C and varies according to the member's salary.

The new section 110D provides that amounts of salary and contribution specified in the Table may be varied by a declaration by the Minister for Finance in relation to a period specified in the declaration. The intention is that the contribution rate be maintained at an average of 3% of salaries.

In accordance with the new section 110G, a declaration under section 110D is to be a Statutory Rule for the purposes of the Statutory Rules Publication Act 1903 and a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

The amounts of salary and contribution specified in the Table in section 110C are those that would have been applicable at the time the Amending Act was drafted (at 1 January 1990). The Declaration contained in the Statutory Rule, and cited as "Productivity Contribution Declaration No 1", provides for increased amounts of salary and contribution to apply in relation to the period commencing on 1 July 1990. These amounts reflect changes since 1 January 1990.

The Amending Act received Royal Assent on 7 June 1990. In accordance with section 2 of that Act, section 64 is to come into operation on 1 July 1990. Section 4 of the Acts Interpretation Act 1901 enable the power conferred on the Minister for Finance by the new section 110D to be exercised after Royal Assent but before 1 July 1990.

The Declaration will operate on and from 1 July 1990.