explanatory statement

Issued by the Minister for Finance and Deregulation

### Superannuation Act 1976

Declaration under paragraph (ec) of the definition of “eligible employee” included in subsection 3(1)

The *Superannuation Act 1976* (the Act) makes provision for and in relation to the Commonwealth Superannuation Scheme (CSS) for Australian Government employees and for certain other persons.

Subsection 3(1) of the Act contains the definition of the term “eligible employee” that describes various classes of persons who may contribute to the CSS (that is, CSS members). Paragraph (ec) of the definition provides that the Minister may declare a class of persons to be CSS members.

The *Superannuation (CSS) (Eligible Employees — Inclusion) Declaration 2003* (the Principal Declaration) identifies the persons who are declared CSS members under paragraph (ec) of the definition of eligible employee.

The purpose of the ***Superannuation (CSS) (Eligible Employees — Inclusion) Amendment Declaration 2011 (No. 1)*** (the Declaration)is to amend the Principal Declaration to reflect that the Australian Reward Investment Alliance (ARIA) (formerly the CSS/PSS Board) is now known as Commonwealth Superannuation Corporation (CSC) and that the Military Superannuation and Benefits Board of Trustees No. 1 (the MSB Board) has been abolished. The CSS membership arrangements for employees of CSC are consistent with those that were previously in place for ARIA employees.

The *Governance of Australian Government Superannuation Schemes Act 2011* (the Governance Act) established CSC as the single trustee responsible for managing the main Commonwealth civilian and military superannuation schemes. CSC was created by continuing in existence the body corporate that was formerly called ARIA and merging it with the MSB Board and the Defence Force Retirement and Death Benefits Authority. As part of the new arrangements, the MSB Board was abolished by the *Superannuation Legislation (Consequential Amendments and Transitional Provisions) Act 2011*.

ARIA and the MSB Board were consulted on the amendments contained in the Declaration.

The Declaration is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The Declaration commences on the commencement of the Governance Act*.*

The details of the Declaration are explained in the Attachment.

Attachment

# Superannuation (CSS) (Eligible Employees — inclusion) Amendment Declaration 2011 (No. 1)

Section 1 - Name of Declaration

This section provides that the name of the Declaration is the *Superannuation (CSS) (Eligible Employees — Inclusion) Amendment Declaration 2011 (No. 1).*

Section 2 - Commencement

This section provides for the Declaration to commence on the commencement of the *Governance of Australian Government Superannuation Schemes Act 2011* (the Governance Act)*.*

Section 3 - Amendment of *Superannuation (CSS) Eligible Employees – Inclusion) Declaration 2003*

This section provides that Schedule 1 of the Declaration amends the *Superannuation (CSS) Eligible Employees — Inclusion) Declaration 2003* (the Principal Declaration).

**Schedule 1 - Amendments**

**Item 1** inserts a definition of CSC, short for Commonwealth Superannuation Corporation, for the purposes of the Principal Declaration. CSC is given the same meaning as in the Governance Act. Section 4 of the Governance Act defines CSC as the body corporate continued in existence by section 5 of the Governance Act. Section 5 of the Governance Act provides that the board formerly known as the Australian Reward Investment Alliance (ARIA), established under section 20 of the *Superannuation Act 1990*, will continue as the same body corporate under the new name of CSC.

**Item 2** omits the definition of CSS/PSS Board from the Principal Declaration. CSS/PSS Board was formerly defined as either or both of the CSS Board established under section 27A of the *Superannuation Act 1976* (which has since been repealed) and the PSS Board established under section 20 of the *Superannuation Act 1990* (that is, ARIA)*.* As the definition of CSC now covers the board established under section 20 of the *Superannuation Act 1990*, the definition of CSS/PSS Board is no longer required.

**Items 3, 4 and 5** omit references to the CSS/PSS Board within paragraph 4(2)(l) of the Principal Declaration and replace them with references to CSC. Paragraph 4(2)(l) allowed ARIA employees to be eligible employees for the purposes of the *Superannuation Act 1976* and contribute to the Commonwealth Superannuation Scheme (CSS). The changes ensure that employees of CSC have the same CSS membership arrangements available as were formerly available to employees of ARIA.

CSC employees who were covered by former paragraph 4(2)(l) as employees of ARIA, or under paragraph 4(2)(o) as employees of the Military Superannuation and Benefits Board of Trustees No. 1 (the MSB Board), continue to be covered following the changes.

**Item 6** omits paragraph 4(2)(o) of the Principal Declaration. This paragraph formerly allowed employees of the MSB Board to be eligible employees for the purpose of the *Superannuation Act 1976*.

The MSB Board was abolished under the *Superannuation Legislation (Consequential Amendments and Transitional Provisions) Act 2011*. As a consequence, the paragraph is no longer required. Employees of the MSB Board who become employees of CSC under the new arrangements will be covered by paragraph 4(2)(l) of the Principal Declaration.