

2004-2005-2006

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

**SUPERANNUATION LEGISLATION AMENDMENT
(SUPERANNUATION SAFETY AND OTHER MEASURES) BILL
2005**

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments to be moved on behalf of the Government

*(Circulated by authority of the Minister for Finance and Administration,
Senator the Hon Nick Minchin)*

AMENDMENTS OF THE SUPERANNUATION LEGISLATION AMENDMENT (SUPERANNUATION SAFETY AND OTHER MEASURES) BILL 2005

OUTLINE OF AMENDMENTS

Current provisions in the Bill

The Superannuation Legislation Amendment (Superannuation Safety and Other Measures) Bill 2005 (the Bill) includes amendments to three Acts. The amendments are a consequence of the Government's Safety of Superannuation reforms as well as changes required to facilitate the application of negative interest rates to the Commonwealth Superannuation Scheme (CSS). The Bill also includes provisions to validate the payment of benefits to particular members of the CSS. In addition the Bill makes a number of minor amendments to include members of the staff of the Boards of the CSS and the Public Sector Superannuation Scheme (PSS) in the delegation powers of the Boards, and to allow the Boards to send to employers any document or written information that, under the relevant scheme Act or any other Act, they are required to send to the member.

Proposed Amendments

The Bill was introduced into the Senate on 18 August 2005. While most of the provisions were to commence on the day the Bill received Royal Assent, the provisions in Schedule 2 of the Bill enabling the Board that governs the CSS to declare negative earnings in the CSS have a specific commencement date of 1 January 2006.

Debate of the Bill did not resume in the Senate in the 2005 Parliamentary year. For prospective commencement of the relevant provisions it is necessary to amend the commencement provisions contained in Schedule 2 of the Bill. The amendments are intended to change the commencement of the provisions to either the first day (1 July) of the financial year if this is the day of Royal Assent, or otherwise the first day (1 July) of the next financial year following Royal Assent.

Financial Implications

The amendments to the Bill have no financial implications.

**NOTES ON AMENDMENTS TO THE SUPERANNUATION LEGISLATION
AMENDMENT (SUPERANNUATION SAFETY AND OTHER MEASURES)
BILL 2005**

Amendments 1 and 2 – Date of commencement of provisions

Amendments 1 and 2 change the date of effect of a number of provisions in Schedule 2 of the Superannuation Legislation Amendment (Superannuation Safety and Other Measures) Bill 2005 to either the first day (1 July) of the financial year if this is the day of Royal Assent, or otherwise the first day (1 July) of the next financial year following Royal Assent. Those amendments ensure that the provisions will remain prospective, will provide CSS members with a familiar reference point for the changes and facilitate reporting of the protected account balances to members through the annual member statements.