PARLIAMENTARY SUPERANNUATION (ESTABLISHMENT OF FUND)
AMENDMENT ACT 1999
No. 8 of 1999

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No. 8 of 1999

An Act to amend the Parliamentary Superannuation Act 1974 and to make a consequential amendment to the Superannuation Funds Management Corporation of South Australia Act 1995.

[Assented to 18 March 1999]

The Parliament of South Australia enacts as follows:

Short title
1. (1) This Act may be cited as the Parliamentary Superannuation (Establishment of Fund) Amendment Act 1999.

(2) The Parliamentary Superannuation Act 1974 is referred to in this Act as "the principal Act".

Commencement
2. This Act will be taken to have come into operation on 1 July 1998.

Amendment of s. 5—Interpretation
3. Section 5 of the principal Act is amended—

(a) by inserting the following definition after the definition of "former old scheme member" in subsection (1):

"the Fund" means the Parliamentary Superannuation Fund established by this Act;

(b) by inserting the following definition after the definition of "service" in subsection (1):

"special deposit account" means a special deposit account established under section 8 of the Public Finance and Audit Act 1987;

Insertion of Parts 2A and 2B
4. The following Parts are inserted after Part 2 of the principal Act:

PART 2A
THE PARLIAMENTARY SUPERANNUATION FUND
The Fund

13. (1) The Parliamentary Superannuation Fund is established.

(2) The assets of the Fund belong (both at law and in equity) to the Crown.

(3) The Fund is subject to the management and control of the Superannuation Funds Management Corporation of South Australia.

(4) The Treasurer must pay into the Fund from the Consolidated Account (which is appropriated to the necessary extent) or from a special deposit account established by the Treasurer for that purpose—

(a) periodic contributions reflecting the contributions paid to the Treasurer by members; and

(b) periodic contributions to ensure that members’ entitlements are fully funded as they accrue.

(5) The Treasurer must transfer to the Fund the balance of the special deposit account into which members’ contributions made before 1 July 1998 and other amounts for the funding of the schemes under this Act have been paid.

(6) All interest and accretions arising from investment of the Fund must be paid into the Fund.

(7) The following amounts will be paid from the Fund:

(a) any reimbursement of the Consolidated Account or a special deposit account that the Treasurer charges against the Fund in pursuance of this Act; and

(b) the administrative costs and other expenses related to the management and investment of the Fund; and

(c) the other costs of administering this Act.

(8) The Superannuation Funds Management Corporation of South Australia must determine the value of the Fund as at the end of each financial year.

PART 2B
MEMBERS’ CONTRIBUTION ACCOUNTS

Members’ contribution accounts

13A. (1) The Board must maintain contribution accounts in the names of all members.

(2) A member’s contribution account must be credited with the amount of contributions made by the member and must be debited with any payment that is, in pursuance of this Act, to be charged against the account.

(3) The amount of the opening balance of the contribution account of a person who was a member on 1 July 1998 is the amount that would have been the balance of the member’s notional contribution account if that balance had been determined as at 30 June 1998 under section 21B before that section was repealed.
Accretions to members' accounts

13B. (1) At the end of each financial year, each member's contribution account that has a credit balance will be adjusted to reflect a rate of return determined by the Board in relation to members' accounts for the relevant financial year.

(2) In determining a rate of return for the purposes of subsection (1), the Board should have regard to—

(a) the net rate of return achieved by investment of the Fund over the financial year; and

(b) the desirability of reducing undue fluctuations in the rate of return on members' accounts.

(3) Where, in pursuance of subsection (2)(b), the Board determines a rate of return that is at variance with the net rate of return achieved by investment of the Fund, the Board must include its reasons for the determination in its report for the relevant financial year.

(4) Where it is necessary to determine the balance of a member's account and the Board has not yet determined a rate of return in relation to the relevant financial year, the balance will be determined by applying a percentage rate of return on accounts estimated by the Board.

(5) A balance determined under subsection (4) will not be adjusted when a rate of return is subsequently determined under subsection (1).

(6) A reference in this section to "rate of return" is a reference to a positive or a negative rate of return.

Repeal of s. 21B

5. Section 21B of the principal Act is repealed.

Amendment of s. 22—Other benefits under the old scheme

6. Section 22 of the principal Act is amended by striking out "notional".

Amendment of s. 22A—Other benefits under the new scheme

7. Section 22A of the principal Act is amended—

(a) by striking out subsection (2) and substituting the following subsections:

(2) The values of the components referred to in subsection (1)(a) are as follows:

(a) the value of the employee component is equal to the balance standing to the credit of the former member's contribution account;

(b) the value of the employer component is—

(i) if the employee component is to be paid to or in respect of the former member at the same time as the employer component—equal to the value of the employee component;
(ii) in any other case—equal to the amount that would be the value of the employee component if it were paid when the employer component is paid.

(2a) The value of the employee component under subsection (2) in respect of a former member who ceased to be a member before 1 July 1998 will be determined as follows:

(a) the balance standing to the credit of the former member's notional contribution account as at 30 June 1998 will be determined under section 21B as though that section had not been repealed;

(b) the value of the former member's employee component for the purposes of subsection (2) will be taken to be the balance of the former member's notional contribution account referred to in paragraph (a) adjusted under section 13B as though it were the former member's contribution account.;

(b) by striking out subsection (4) and substituting the following subsections:

(4) If the former member had not reached that age when he or she ceased to be a member, the former member may—

(a) in the case of the employee component, elect—

(i) to take the component immediately; or

(ii) to preserve the component; or

(iii) to carry the component over to some other superannuation fund or scheme approved by the Board;

(b) in the case of the employer component, elect—

(i) to preserve the component; or

(ii) to carry the component over to some other superannuation fund or scheme approved by the Board.

(4a) A former member who fails to inform the Board in writing of his or her election under subsection (4)(a) or (b) within three months after he or she ceases to be a member will be taken to have elected to preserve the employee or the employer component (as the case requires).

(4b) If the Board is of the opinion that the limitation period referred to in subsection (4a) would unfairly prejudice the former member, the Board may extend the period as it applies to the former member.

(4c) Where the former member elects to carry over the employee or the employer component to an approved superannuation fund or scheme, the following provisions apply:
(a) the former member must satisfy the Board by such evidence as it may require that he or she has been admitted to membership of the fund or scheme; and

(b) on being so satisfied the Board will authorise payment of the component on behalf of the former member to the fund or scheme.;

(c) by inserting the following subsection after subsection (5):

   (5a) A former member who has elected, or has been taken to have elected, to preserve his or her employee or employer component and to whom the component has not been paid under this section, may elect to withdraw that election and to elect to carry the component over to some other superannuation fund or scheme approved by the Board.

Amendment of s. 39—Financial provision
8. Section 39 of the principal Act is amended by striking out subsection (2) and substituting the following subsection:

   (2) The Treasurer may reimburse the Consolidated Account or special deposit account in respect of benefits paid to, or in respect of, a member or former member under subsection (1) by charging the Fund with the amount of those benefits.

Repeal of Schedule 1
9. Schedule 1 of the principal Act is repealed.

Amendment of the Superannuation Funds Management Corporation of South Australia Act 1995
10. Section 3(1) of the Superannuation Funds Management Corporation of South Australia Act 1995 is amended by inserting the following paragraph and word after paragraph (c) of the definition of "public sector superannuation funds":

   (ca) the Parliamentary Superannuation Fund; and

In the name and on behalf of Her Majesty, I hereby assent to this Bill.

E. J. NEAL Governor