

**STATE PUBLIC SERVICE SUPERANNUATION
(RETRENCHMENT) AMENDMENT BILL 1987**

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

This Bill is cognate with the Superannuation (Retrenchment) Amendment Bill 1987.

The object of this Bill is to amend the State Public Service Superannuation Act 1985 so as—

- (a) to provide that, where the employment of contributors under that Act is terminated as a result of their acceptance of an offer by their employer of retrenchment conditions, those contributors will be entitled to receive the retrenchment benefits under that Act; and
- (b) to provide for such benefits to be paid to contributors who are retrenched after being members of the State Public Service Superannuation Fund for only 3 years instead of 10 years as is currently the case.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides that the proposed Act shall be deemed to have commenced on 13 February 1987.

Clause 3 is a formal provision which gives effect to the Schedule of amendments to the Principal Act.

State Public Service Superannuation (Retrenchment) Amendment 1987

Schedule 1 (1) amends section 5 of the Principal Act, which defines certain expressions for the purposes of that Act by inserting a definition of "discharge" and substituting a definition of "retrenchment" for the existing definition of "retrench". "Discharge" is defined as the cessation of a contributor's employment because the period for which the contributor was originally employed has come to an end. The substituted definition of "retrenchment" will include not only compulsory retrenchment of a contributor's employment but also the voluntary termination of a contributor's employment as a result of the acceptance by the contributor of an offer by the contributor's employer of terms of retrenchment. The existing grounds for retrenchment will apply to both compulsory and voluntary termination of a contributor's employment.

Schedule 1 (2) amends section 25 of the Principal Act, which defines certain expressions for the purposes of Part V of that Act, by modifying the definition of the expression of "membership period". The amendment is consequential on the amendment to be made to section 33 of the Principal Act by Schedule 1 (3).

Schedule 1 (3) amends section 33 of the Principal Act, which prescribes the benefits payable to contributors who are retrenched before reaching early retirement age. As a result of the amendment, the benefit under section 33 (2) of the Principal Act will become payable when a contributor is retrenched after a membership period of 3 years. At present this benefit is not payable until the contributor has a membership period of at least 10 years. In consequence, section 33 (3) of the Principal Act is to be substituted and a new subsection is to be added to section 33 so as to enable a period of membership of the Public Service Superannuation Fund to be taken into account in determining whether or not a retrenched contributor has been a member of the State Public Service Superannuation Fund for a period of at least 3 years.

Schedule 1 (4) amends section 34 of the Principal Act, which enables a contributor to have a benefit under that Act preserved in certain circumstances until a later date. The amendment will enable a contributor who is retrenched to elect to preserve a retrenchment benefit to which the contributor is entitled under section 33 (2) of that Act.
