

# **Superannuation (CSS) Eligible Employees Regulations (Amendment) 1996 No. 5**

EXPLANATORY STATEMENT

STATUTORY RULES 1996 No. 5

Issued by the Authority of the Minister for Finance

*Superannuation Act 1976*

Superannuation (CSS) Eligible Employees Regulations (Amendment)

The *Superannuation Act 1976* (the Act) makes provision for and in relation to an occupational superannuation scheme, the Commonwealth Superannuation Scheme (the CSS), for certain Commonwealth employees and other persons, including employees of approved authorities.

Section 168 of the Act provides that the Governor-General may make regulations for the purposes of the Act.

The *Superannuation Industry (Supervision) Act 1993* and regulations under that Act (SIS) provide for a regulatory system for superannuation schemes which are regulated superannuation funds under that Act and the CSS is a regulated superannuation fund.

To ensure that the CSS complies with SIS requirements, the Regulations amend the **Superannuation (CSS) Eligible Employees Regulations** (the Principal Regulations) to provide that a regulated superannuation fund not accept contributions made by or in respect of a member over age 65, or allow an additional benefit accrual after that age, other than in special circumstances;

Persons eligible to contribute to the CSS (ie, CSS members) are referred to in the Act as eligible employees. In accordance with paragraph (j) of the definition of "eligible employee" in subsection 3(1) of the Act a class of persons may be excluded by regulation from becoming, or remaining, eligible employees. Persons included in a class of persons who are excluded from becoming, or remaining, eligible employees are prescribed in the Principal Regulations.

SIS does not permit the payment of contributions by or on behalf of a member of a regulated superannuation fund in certain circumstances.

Regulation 1 provides that the Principal Regulations are amended as set out in the amending Regulations.

Regulation 2 amends regulation 4 of the Principal Regulations which specifies the classes of persons who are not included in the definition of "eligible employee" for the purposes of the Act.

Persons included in the new class are described as "contributions-barred persons" and, because of SIS, are persons from whom a regulated superannuation fund may not accept contributions.

The amendment further provides for persons who are CSS members at the commencement of this regulation, and who remain members, to be excluded from the effect of this regulation. Also to be excluded are persons who become CSS members after the commencement of this regulation and who later become persons included in the class. This ensures that the existing

members (who continue to be members) or future members who join the scheme while still permitted by SIS to contribute are not affected by the amendment.

The amending Regulations commenced on the date of gazettal.