

THIS DEED is made on 25 September 2001 by THE COMMONWEALTH OF AUSTRALIA (in this Deed called “the Commonwealth”).

WHEREAS the Commonwealth Minister of State for Finance, for and on behalf of the Commonwealth, pursuant to section 4 of the Superannuation Act 1990, established by Deed dated 21 June 1990 (which Deed, as previously amended, is in this Deed called “the Trust Deed”) an occupational superannuation scheme (in the Trust Deed called the “Public Sector Superannuation Scheme”) in order to provide benefits for certain of its employees and for certain other persons;

AND WHEREAS section 5 of the Superannuation Act 1990 provides that the Minister for Finance and Administration may, by signed instrument, amend the Trust Deed but that the Minister may not amend the Trust Deed unless the Board has consented to the amendment or the amendment falls within any of sub-paragraphs (b)(i), (ii) or (iii) of sub-section 5(1A);

AND WHEREAS by Deeds dated 21 June 1990, 1 July 1991, 30 June 1992, 21 December 1992, 16 June 1993, 24 January 1994, 7 March 1994, 28 June 1994, 22 June 1995, 29 January 1996, 10 December 1996, 25 March 1998, 5 December 1999 and 20 August 2001 (the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth and Fourteenth Amending Deeds, respectively) the Minister amended the Trust Deed and the Rules for the administration of the Public Sector Superannuation Scheme set out in the Schedule to the Trust Deed;

NOW THIS DEED WITNESSES that the Rules for the administration of the Public Sector Superannuation Scheme set out in the Schedule to the Trust Deed are amended as follows and that the amendments do not require the consent of the Board:

1. The amendments of the Rules made by this Deed come into effect on the later of:
 - (a) the date of gazettal [see the *Acts Interpretation Act 1901*, sections 46A and 48]; and
 - (b) the time when the *Superannuation Legislation Amendment (Indexation) Act 2001* commences.
2. The Rules are amended as follows:
 - 2.1 Division 6 of Part 9 is replaced with the following Division:

Division 6

Pension Increases

Calculating July pension increases

9.6.1 The annual **pension**, other than a **partial invalidity pension**, that:

- (a) was payable immediately before 1 July of any year; or
- (b) became payable on 1 July because a **pensioner** died on the immediately preceding 30 June;

is to be increased by adding to that **pension** the amount calculated using the following formula:

$$\text{Annual Pension} \times \left(\frac{\text{New CPI} - \text{Old CPI}}{\text{Old CPI}} \right)$$

where:

New CPI is the all groups consumer price index number for the weighted average of the 8 capital cities first published by the Australian Statistician in respect of the March quarter immediately before the relevant 1 July; and

Old CPI is the highest all groups consumer price index number for the weighted average of the 8 capital cities first published by the Australian Statistician in respect of any September or March quarter earlier than the March quarter immediately before the relevant 1 July,

provided:

- (A) the New CPI index number exceeds the Old CPI index number; and
- (B) the factor that results from division of New CPI less Old CPI by Old CPI is to be rounded up or down to the nearest one thousandth; and
- (C) the **Board** may reduce the amount where the **pension**, or on the death of a **pensioner**, the primary **pension**, was not payable for a half year before the relevant 1 July; and
- (D) any year that commenced before 1 July 1989 is excluded when determining Old CPI; and
- (E) if the Australian Statistician changes the reference base for the consumer price index, regard shall only be had to index numbers first published in terms of the new reference base.

9.6.2 The increase in the **pension** calculated under Rule 9.6.1 applies to the instalment of **pension** falling due on the first **pension payday** after the relevant 30 June and to each subsequent instalment until next adjusted.

Calculating January pension increases

9.6.3 The annual **pension**, other than a **partial invalidity pension**, that:

- (a) was payable immediately before 1 January of any year; or
- (b) became payable on 1 January because a **pensioner** died on the immediately preceding 31 December;

is to be increased by adding to that **pension** the amount calculated using the following formula:

$$\text{Annual Pension} \times \left(\frac{\text{New CPI} - \text{Old CPI}}{\text{Old CPI}} \right)$$

where:

New CPI is the all groups consumer price index number for the weighted average of the 8 capital cities first published by the Australian Statistician in respect of the September quarter immediately before the relevant 1 January; and

Old CPI is the highest all groups consumer price index number for the weighted average of the 8 capital cities first published by the Australian Statistician in respect of any March or September quarter earlier than the September quarter immediately before the relevant 1 January,

provided:

- (A) the New CPI index number exceeds the Old CPI index number; and
- (B) the factor that results from division of New CPI less Old CPI by Old CPI is to be rounded up or down to the nearest one thousandth; and
- (C) the **Board** may reduce the amount where the **pension**, or on the death of a **pensioner**, the primary **pension**, was not payable for a half year before the relevant 1 January; and
- (D) any year that commenced before 1 July 1989 is excluded when determining Old CPI; and
- (E) if the Australian Statistician changes the reference base for the consumer price index, regard shall only be had to index numbers first published in terms of the new reference base.

9.6.4 The increase in the **pension** calculated under Rule 9.6.3 applies to the instalment of **pension** falling due on the first **pension payday** after the relevant 31 December and to each subsequent instalment until next adjusted.

Adjusting partial invalidity pensions

9.6.5 Partial invalidity pensions are adjusted at such times as the **Board** determines (*see Division 6 of Part 10*)."

2.2 The definition of Notional Income in Rule 10.11.9 is replaced with the following definition:

“Notional Income is the greater of:

- (a) \$33,732, increased on 1 January 2002, and compounded each subsequent 1 July and 1 January, in accordance with the increases, if any, applying to pensions under Rule 9.6.1 and Rule 9.6.3; or
- (b) 75% of the annual rate of salary determined by the **Board** as that which would have been payable to the **pensioner** had he/she continued to be a **member**.”

2.3 Paragraphs (a) and (b) of Rule 15.1.8 are replaced with the following paragraphs:

- “(a) beginning on 1 January or 1 July in a year; and
- (b) ending at the end of the first **pension payday** after that 1 January or 1 July;”

2.4 Paragraphs (a) and (b) of Rule 15.2.8 are replaced with the following paragraphs:

- “(a) beginning on 1 January or 1 July in a year; and
- (b) ending at the end of the first **pension payday** after that 1 January or 1 July;”

2.5 Paragraphs (a) and (b) of Rule 15.3.8 are replaced with the following paragraphs:

- “(a) beginning on 1 January or 1 July in a year; and
- (b) ending at the end of the first **pension payday** after that 1 January or 1 July;”

3. The amendments of the Rules made by this Deed apply:

- (a) for the purpose of working out an increase in the rate of a pension that is payable immediately before:
 - (i) the half year beginning on 1 January 2002; and
 - (ii) each subsequent half year; and
- (b) for the purpose of working out the Notional Income (within the meaning of Rule 10.11.9) on or after 1 January 2002; and
- (c) for any other purpose related to the purposes mentioned in paragraphs (a) and (b).

4. To avoid doubt, the amendments of the Rules made by this Deed do not affect any increase in the rate of a pension that arose from the operation of any provision amended by this Deed.

IN WITNESS WHEREOF this Deed has been executed the day and year first hereinbefore written.

SIGNED, SEALED AND DELIVERED)

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by the Honourable JOHN JOSEPH FAHEY)

SIGNED

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Minister for Finance and Administration)

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for and on behalf of)

)

THE COMMONWEALTH OF)

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AUSTRALIA, in the presence of:)

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(name))

Matthew Brine

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(address))

6 Bilby Place, Nicholls, ACT

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(description))

Public Servant

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