

EXPLANATORY STATEMENT

Issued by the authority of Minister for Finance and Deregulation

Superannuation Act 2005

Declaration under paragraph 13(1)(b)

The *Superannuation Act 2005* (the 2005 Act) makes provision for and in relation to the Public Sector Superannuation Accumulation Plan (PSSAP) for public sector employees and certain other persons.

Section 13 of the Act specifies the various persons who are eligible to become members of the PSSAP. Paragraph 13(1)(a) provides that a public sector employee is eligible to become a PSSAP member. Paragraph 13(1)(b) provides that the Minister may declare a person to be eligible to become a PSSAP member.

The *Superannuation (PSSAP) Membership Eligibility (Inclusion) Declaration 2005* (the Principal Declaration) made under paragraph 13(1)(b) of the 2005 Act identifies those persons who are declared to be eligible to become PSSAP members.

The purpose of the *Superannuation (PSSAP) Membership Eligibility (Inclusion) Amendment Declaration 2011 (No. 1)* (the Declaration) is to amend the Principal Declaration to reflect that the Australian Reward Investment Alliance (ARIA) (formerly the PSS/CSS Board) is now known as the Commonwealth Superannuation Corporation (CSC). The PSSAP membership arrangements for employees of CSC are consistent with those that were previously in place for ARIA employees. In addition, the Declaration amends the Principal Declaration to replace outdated references to the Board with references to CSC, and omit redundant provisions.

The *Governance of Australian Government Superannuation Schemes Act 2011* (the Governance Act) established CSC as the consolidated trustee responsible for managing the main Commonwealth civilian and military superannuation schemes. CSC was created by continuing in existence the body corporate that was formerly called ARIA.

ARIA was consulted on the amendments contained in the Declaration.

The Declaration is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The Declaration commences on the commencement of the Governance Act.

The details of the Declaration are explained in the [Attachment](#).

ATTACHMENT

**SUPERANNUATION (PSSAP) MEMBERSHIP ELIGIBILITY
(INCLUSION) AMENDMENT DECLARATION 2011 (NO. 1)****Section 1 - Name of Declaration**

This section provides that the name of the Declaration is the *Superannuation (PSSAP) Membership Eligibility (Inclusion) Amendment Declaration 2011 (No. 1)*.

Section 2 - Commencement

This section provides for the Declaration to commence on commencement of the *Governance of Australian Government Superannuation Schemes Act 2011* (the Governance Act).

Section 3 - Amendments to the *Superannuation (PSSAP) Membership Eligibility (Inclusion) Declaration 2005*

This section provides that Schedule 1 of the Declaration amends the *Superannuation (PSSAP) Membership Eligibility (Inclusion) Declaration 2005* (the Principal Declaration).

Schedule 1 - Amendments

Item 1 omits the definition of 'Board' from the Principal Declaration. As CSC is the trustee of the PSSAP under the Governance Act, the definition of 'Board' is no longer required.

Item 2 inserts a definition of CSC, short for Commonwealth Superannuation Corporation, for the purposes of the Principal Declaration. CSC is given the same meaning as in the Governance Act. Section 4 of the Governance Act defines CSC as the body corporate continued in existence by section 5 of Governance Act. Section 5 of the Governance Act provides that the board formerly known as the Australian Reward Investment Alliance (ARIA), established under section 20 of the *Superannuation Act 1990*, will continue as the same body corporate under the new name of CSC.

Item 3 omits paragraph 4(2)(b) from the Principal Declaration. This paragraph sets out when persons covered by item 4 of the Schedule to the Principal Declaration cease to be eligible to become a PSSAP member. As item 4 of the Schedule to the Principal Declaration was omitted by a previous amendment, paragraph 4(2)(b) was redundant.

Item 4 substitutes paragraph 4(2)(g) of the Principal Declaration, which described the circumstances that resulted in PSSAP membership of employees of the PSS/CSS Board (that is, ARIA) ceasing, with a new paragraph relating to employees of CSC.

New paragraph 4(2)(g) provides that PSSAP membership ceases for a person who has such membership through item 9 of the Schedule, which relates to employees of CSC, when any of the following circumstances arise:

- the person ceases employment with CSC; or
- the person becomes a member of an alternative superannuation scheme.

These are the same circumstances in which membership ceased for an employee of ARIA.

Item 5 omits a reference to the Board at paragraph (c) of item 1 of Schedule 1, and substitutes a reference to CSC. As CSC is the trustee of the PSSAP under the Governance Act, CSC exercises the function referred to in this paragraph.

Item 6 substitutes item 9 in Schedule 1, which allowed ARIA employees to be PSSAP members, with a new item. The new item allows employees of CSC, in certain circumstances, to be PSSAP members.

Under the new item 9, a person who becomes an employee of CSC can be a PSSAP member, provided he or she meets one of the following criteria:

- the employee is employed by CSC on a permanent basis, and, immediately before becoming so employed, was an ordinary-employer sponsored member, as defined in the Principal Declaration, in respect of other employment; or
- immediately before becoming employed by CSC, the employee was a PSSAP member but was not an ordinary employer-sponsored member in respect of other employment and made an election in a form approved by CSC to be eligible to be a PSSAP member in relation to their CSC employment; or
- the employee is in non-permanent employment with CSC and made an election in a form approved by CSC to be eligible to be a PSSAP member.

Those individuals that were covered by former item 9 as employees of ARIA are now covered by the substituted item as employees of CSC.