

EXPLANATORY STATEMENT

Issued by the Minister for Finance and Deregulation

Superannuation Act 1990

Declaration under paragraph 6(1)(j)

The *Superannuation Act 1990* (the Act) makes provision for and in relation to the Public Sector Superannuation Scheme (PSS) for Australian Government employees and for certain other persons.

Section 6 of the Act specifies the various persons who are members of the PSS. Paragraph 6(1)(j) provides that the Minister may declare a person to be a PSS member.

The *Superannuation (PSS) Membership Inclusion Declaration 2006* (the Principal Declaration) identifies the persons who are declared PSS members under paragraph 6(1)(j).

The purpose of the *Superannuation (PSS) Membership 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 Commonwealth Superannuation Corporation (CSC) and that the Military Superannuation and Benefits Board of Trustees No. 1 (the MSB Board) has been abolished. The Declaration ensures that the PSS membership arrangements for employees of CSC are consistent with those that were previously in place for ARIA employees.

The *Governance of Australian Government Superannuation Schemes Act 2011* (the Governance Act) established CSC as the single 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 and merging it with the MSB Board and the Defence Force Retirement and Death Benefits Authority.

ARIA and the MSB Board were 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.

SUPERANNUATION (PSS) MEMBERSHIP INCLUSION AMENDMENT DECLARATION 2011 (NO. 1)

Section 1 - Name of Declaration

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

Section 2 - Commencement

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

Section 3 - Amendment of Superannuation (PSS) Membership Inclusion Declaration 2006

This section provides that Schedule 1 to the Declaration amends the *Superannuation (PSS) Membership Inclusion Declaration 2006* (the Principal Declaration).

Schedule 1 - Amendments

Item 1 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 2 omits the definition of PSS/CSS Board from the Principal Declaration. PSS/CSS Board was formerly defined as either or both the CSS Board established under section 27A of *Superannuation Act 1976* (which has since been repealed) and the PSS Board established under section 20 of the *Superannuation Act 1990* (that is, ARIA). As the definition of CSC now covers the board established under section 20 of the *Superannuation Act 1990*, the definition of PSS/CSS Board is no longer required.

Items 3 and 4 omit references to the PSS/CSS Board within subsection 4(16) of the Principal Declaration, and replace them with references to CSC. Subsection 4(16) set out the circumstances in which PSS membership provided for ARIA employees under item 23 of Schedule 1 to the Principal Declaration will cease. As item 23 of Schedule 1 is amended by items 7 to 10 of the Declaration to refer to CSC rather the PSS/CSS Board, subsection 4(16) has also been amended accordingly.

Item 5 omits subsection 4(18) of the Principal Declaration, which set out the circumstances in which PSS membership provided for employees of the Military Superannuation and Benefits Board of Trustees No. 1 (the MSB Board) under item 25 of Schedule 1 would cease. Item 25 of Schedule 1 is omitted by item 6 of the Declaration and employees of CSC will be covered by subsection 4(16) and item 23 of Schedule 1. Therefore, subsection 4(18) is no longer required.

Items 6 omits a reference to the Board in item 2 of Schedule 1 to the Principal Declaration, and replaces it with a reference to CSC. As CSC is the trustee of the PSS under the Governance Act, CSC will have the role of approving the form referred to in this item.

Item 7 omits references to the PSS/CSS Board within item 23 in Schedule 1 to the Principal Declaration and replaces them with references to CSC.

This allows employees of CSC, in the specified circumstances, to be PSS members. Employees of CSC that were previously covered by item 23 as employees of ARIA, or under item 25 as employees of the MSB Board, will be covered by the amended item 23 because they will be employees of CSC who were PSS members immediately before their employment with CSC.

Item 8 omits references to the Board within item 23 in Schedule 1 to the Principal Declaration and replaces them with references to CSC. As CSC is the trustee of the PSS under the Governance Act, CSC will have the role of approving the forms referred to in this item.

Item 9 omits item 25 in Schedule 1 to the Principal Declaration. This item formerly allowed employees of the MSB Board to be PSS members in certain circumstances.

The MSB Board was abolished under the *Superannuation Legislation (Consequential Amendments and Transitional Provisions) Act 2011*. As a consequence, the paragraph is no longer required. Employees of the MSB Board who become employees of CSC under the new arrangements will be covered by item 23.