

## **EXPLANATORY STATEMENT**

*Parliamentary Superannuation (Default Fund) Declaration 2012*

*Issued by authority of the Minister for Finance and Deregulation*

*Parliamentary Superannuation Act 2004*

The *Parliamentary Superannuation Act 2004* (the Act) establishes superannuation arrangements for members of parliament who enter Commonwealth Parliament on or after 9 October 2004. Under the Act, eligible office holders are entitled to superannuation contributions made by the Commonwealth, payable to a fund of their choice or, where the member does not elect a fund, to the default fund.

Subsection 17(1) of the Act requires the Minister for Finance and Deregulation to declare a superannuation fund to be a default fund for superannuation contributions made by the Commonwealth in satisfaction of its obligations under the Act.

The current default fund is the Australian Government Employees Superannuation Trust (AGEST).

From 1 January 2013, AGEST will merge with another superannuation fund, AustralianSuper, and will cease to operate in its own right. Consequently, it is necessary for the Minister to revoke AGEST as the default fund for contributions made under the Act, and declare a new default fund, commencing from this date.

This declaration establishes AustralianSuper as the new default fund, commencing 1 January 2013. Prior to commencement, AGEST will continue to be the default fund up to and including 31 December 2012

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

### ***Legislative Instruments Act 2003***

The *Parliamentary Superannuation (Default Fund) Declaration 2012* is a legislative instrument for the purposes of the *Legislative Instruments Act 2003* (LI Act). Section 44 of the LI Act exempts superannuation instruments from disallowance.

No consultation was undertaken in relation to the Declaration. In accordance with paragraph 18(2)(a) of the LI Act, consultation was considered to be unnecessary because the instrument is of a minor or machinery nature.

## ATTACHMENT A

**DETAILS OF THE *PARLIAMENTARY SUPERANNUATION (DEFAULT FUND) DECLARATION 2012*****Section 1 – Name of Declaration**

This section provides that the name of this Declaration is the *Parliamentary Superannuation (Default Fund) Declaration 2012*.

**Section 2 – Commencement**

Section 2 provides for the Declaration to commence on 1 January 2013.

**Section 3 – Definition**

Section 3 provides that in this Declaration, the *Parliamentary Superannuation Act 2004* may be referred to as the ‘Act’.

**Section 4 - Revocation**

Section 4 of the Declaration revokes the previous declaration made on 16 August 2004 under subsection 17(1) of the Act, with effect from the time immediately before the commencement of section 5.

Power to revoke the previous declaration is provided under subsection 17(5) of the Act.

**Section 5 – Nominated Fund**

Section 5 declares AustralianSuper to be the nominated default fund under subsection 17(1) of the Act. AustralianSuper is a ‘complying’ superannuation fund within the meaning of the *Income Tax Assessment Act 1997*, as is required by section 4D of the Act.

The timing of the commencement of section 5 is consistent with subsection 17(7) of the Act, which requires that if a declaration is revoked, the Minister must make another declaration which takes effect immediately after the revocation.