

South Australia



**SUPERANNUATION (VOLUNTARY SEPARATION PACKAGES)
AMENDMENT ACT 1999**

No. 57 of 1999

SUMMARY OF PROVISIONS

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ELIZABETHAE II REGINAE

A.D. 1999

No. 57 of 1999

An Act to amend the Superannuation Act 1988.

[Assented to 12 August 1999]

The Parliament of South Australia enacts as follows:

Short title

1. (1) This Act may be cited as the *Superannuation (Voluntary Separation Packages) Amendment Act 1999*.

(2) The *Superannuation Act 1988* is referred to in this Act as "the principal Act".

Commencement

2. This Act will be taken to have come into operation on 1 July 1999.

Amendment of s. 28A—Resignation pursuant to a voluntary separation package

3. Section 28A of the principal Act is amended by striking out subsection (3) and substituting the following subsections:

(3) A contributor to whom this section applies is entitled to a lump sum made up of—

- (a) an employee component (to be charged against the contributor's contribution account) equivalent to the amount standing to the credit of that account; and
- (b) an employer component that is equal to the lesser of twice the amount of the employee component or twice the amount that would have constituted the employee component if the contributor had contributed to the Scheme at the standard contribution rate throughout the contributor's contribution period.

(3a) A part of the lump sum referred to in subsection (3) being an amount equivalent to the minimum contribution required to avoid payment of the superannuation guarantee charge in respect of the contributor under the Commonwealth Act is preserved.

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(3b) The contributor is entitled to the balance of the lump sum at the time of resignation.

(3c) The amount preserved under subsection (3a) together with interest is payable in accordance with the following provisions:

- (a) the contributor may at any time after reaching 55 years of age require the Board to pay the amount and, if no such requirement has been made on or before the date on which the contributor reaches 65 years of age, the Board will pay the amount to the contributor;
- (b) if the contributor has become incapacitated and satisfies the Board that his or her incapacity for all kinds of work is 60 per cent or more of total incapacity and is likely to be permanent, the Board will pay the amount to the contributor;
- (c) if the contributor dies, the amount will be paid to the spouse of the deceased contributor or, if he or she left no surviving spouse, to the contributor's estate,

(and a payment under any of the above paragraphs excludes further rights so that a claim cannot be subsequently made under some other paragraph).

(3d) The amount of interest will be calculated and credited to the contributor at the end of each financial year and will be calculated on the amount referred to in subsection (3a) at the end of the first financial year and on the aggregate of that amount and the interest previously credited at the end of each subsequent financial year.

(3e) The rate of interest will be determined by the Board in respect of each financial year in accordance with section 20A.

Amendment of s. 39A—Resignation or retirement pursuant to a voluntary separation package

4. Section 39A of the principal Act is amended by striking out subsection (3) and substituting the following subsections:

(3) A contributor to whom this section applies who resigns before reaching the age of 55 years is entitled—

- (a) if he or she had not reached the age of 45 years at resignation—to benefits under subsection (3a); or
- (b) if he or she had reached that age at resignation—to benefits under subsection (3a) unless he or she elects (as a term of the voluntary separation package) to take benefits under subsection (3g).

(3a) A contributor who is entitled to benefits under this subsection is entitled to a lump sum made up of—

- (a) an employee component (to be charged against the contributor's contribution account) equivalent to the total balance of the account; and

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- (b) an employer component that is equal to the lesser of 2.5 times the amount of the employee component or 2.5 times the amount that would have constituted the employee component if the contributor had contributed at the standard contribution rate throughout the contributor's contribution period.

(3b) A part of the lump sum referred to in subsection (3a) being an amount equivalent to the minimum contribution required to avoid payment of the superannuation guarantee charge in respect of the contributor under the Commonwealth Act is preserved.

(3c) The contributor is entitled to the balance of the lump sum at the time of resignation.

(3d) The amount preserved under subsection (3b) together with interest is payable in accordance with the following provisions:

- (a) the contributor may at any time after reaching 55 years of age require the Board to pay the amount and, if no such requirement has been made on or before the date on which the contributor reaches 65 years of age, the Board will pay the amount to the contributor;
- (b) if the contributor has become incapacitated and satisfies the Board that his or her incapacity for all kinds of work is 60 per cent or more of total incapacity and is likely to be permanent, the Board will pay the amount to the contributor;
- (c) if the contributor dies, the amount will be paid to the spouse of the deceased contributor or, if he or she left no surviving spouse, to the contributor's estate,

(and a payment under any of the above paragraphs excludes further rights so that a claim cannot be subsequently made under some other paragraph).

(3e) The amount of interest will be calculated and credited to the contributor at the end of each financial year and will be calculated on the amount referred to in subsection (3b) at the end of the first financial year and on the aggregate of that amount and the interest previously credited at the end of each subsequent financial year.

(3f) The rate of interest will be determined by the Board in respect of each financial year in accordance with section 20A.

(3g) A contributor who is entitled to benefits under this subsection is entitled to a pension calculated as follows:

$$P = FS \times \left[\frac{A \times \{22 + [(2.1 + 0.07(X - 45)) \times (X - 45)]\}}{100} \right] \times \left[1 + \left(\frac{n}{420} \times \frac{6}{A} \times \frac{1}{50} \right) \right]$$

Where—

P is the amount of the pension (expressed as an amount per fortnight)

- FS is the contributor's actual or attributed salary (expressed as an amount per fortnight)
- A is the lesser of the following
- (a) unity;
 - (b) the numerical value obtained by dividing the number of the contributor's accrued contribution points by—
 - (i) in the case of a contributor who was accepted as a contributor under the repealed Act before reaching the age of 30 years—the number of months between the date of acceptance and the date of resignation;
 - (ii) in any other case—the number of months between the contributor's 30th birthday and the date of resignation
- X is the contributor's age at resignation in years and completed months expressed to two decimal places
- n is 420 or the aggregate number of contribution points that accrued to the contributor between 1 July 1992 and the date of resignation whichever is the lesser.

In the name and on behalf of Her Majesty, I hereby assent to this Bill.

E. J. NEAL Governor