

NORTHERN TERRITORY OF AUSTRALIA
NORTHERN TERRITORY GOVERNMENT AND PUBLIC AUTHORITIES'
SUPERANNUATION SCHEME AMENDMENT RULES 2005

Regulations No. 24 of 2005

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NORTHERN TERRITORY OF AUSTRALIA

Regulations No. 24 of 2005*

Northern Territory Government and Public Authorities' Superannuation Scheme Amendment Rules 2005

I, SYDNEY JAMES STIRLING, the Treasurer, pursuant to section 37(2) of the *Superannuation Act*, make the following rules.

Dated 30 May 2005.

S. J. STIRLING
Treasurer

* Notified in the *Northern Territory Government Gazette* on 20 July 2005.

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1. Citation

These Rules may be cited as the *Northern Territory Government and Public Authorities' Superannuation Scheme Amendment Rules 2005*.

2. Commencement

(1) Rule 6 is taken to have come into operation on the commencement of the *Superannuation (Government Co-contribution for Low Income Earners) Act 2003* (Cth).

Note for subrule (1) –

The Superannuation (Government Co-contribution for Low Income Earners) Act 2003 (Cth) commenced on 12 November 2003.

(2) The remaining provisions of these Rules come into operation on the day on which these Rules are notified in the *Gazette*.

3. Principal Rules amended

These Rules amend the *Northern Territory Government and Public Authorities' Superannuation Scheme Rules*.

4. Amendment of rule 1 (Definitions)

Rule 1 –

insert (in alphabetical order)

"annuity" includes a market linked pension;

5. Amendment of rule 5 (Contributions)

Rule 5(4) –

omit, substitute

(4) A member must, subject to this rule, make contributions to his or her accumulation account despite that –

(a) he or she is receiving part salary only; or

(b) he or she is on leave without pay not exceeding 14 days.

(4A) A member is not required, but is eligible on application in writing to the Commissioner, to make contributions to his or her accumulation account while he or she is on leave without pay exceeding 14 days but not exceeding 3 months.

6. New rule 5D

After rule 5C in Part II –

insert

5D. Co-contributions for low income earners

(1) If a Government contribution payable in respect of a member is paid into the Fund, the contribution must be credited to the member's accumulation account.

(2) A Government contribution is not an employer-financed benefit for the purposes of Part III.

(3) In this rule –

"Government contribution" means a Government contribution payable under the *Superannuation (Government Co-contribution for Low Income Earners) Act 2003* (Cth).

7. Amendment of rule 6 (Age retirement benefit)

Rule 6(3) –

omit

attributable solely to the contributions made and the benefits received under the Scheme

substitute

attributable solely to –

(a) the contributions made under rule 5 to the accumulation account;
and

(b) the accrued employer component.

8. Amendment of rule 9 (Death benefit)

Rule 9(4) –

omit

attributable solely to the contributions made under the Scheme by the deceased member and to the benefits received under the Scheme by the estate

substitute

attributable solely to –

- (a) the contributions made under rule 5 to the accumulation account;
- (b) the accrued employer component; and
- (c) the prospective employer component payable under subrule (1)(c).

9. Amendment of rule 10 (Invalidity retirement benefit)

Rule 10(3) –

omit

attributable solely to the contributions made and the benefits received under that Scheme

substitute

attributable solely to –

- (a) the contributions made under rule 5 to the accumulation account;
- (b) the accrued employer component; and
- (c) the prospective employer component payable under subrule (1)(c).

10. New Part IV

After rule 13 –

insert

PART IV – MEMBERSHIP OF CERTAIN EMPLOYEES

14. Definitions

- (1) In rule 15(1) and (3) –

"commencement day" means the day on which this Part comes into operation.

- (2) In rule 17 –

"entry date", for a person, means the date on which the person's application was accepted by the Commissioner under rule 16(2).

15. Application of Part

- (1) This Part applies despite anything to the contrary in these Rules.
- (2) Subject to subrule (3), this Part applies to a person who –
 - (a) on the commencement day, is a permanent employee with the Territory or a public authority;
 - (b) has been in continuous employment with the Territory or a public authority that commenced before 10 August 1999; and
 - (c) on the commencement day, is not a member.
- (3) This Part applies in relation to the person only if one of the following applies:
 - (a) the person became a permanent employee before 10 August 1999 but, because a declaration under section 3(2)(a) of the Act was in force in respect of the person, was not a member on that date;
 - (b) the person became a permanent employee before 10 August 1999 but, for some other reason, was not a member on 10 August 1999;
 - (c) the person became a permanent employee on or after 10 August 1999;
 - (d) the person is otherwise entitled to be a member.

16. Application for membership

- (1) The person may, within 3 months after the commencement day or any further period allowed by the Commissioner, apply to the Commissioner to become a member.
- (2) The Commissioner must consider the application and accept or refuse to accept it.
- (3) If the Commissioner accepts the application, rules 17 and 18 apply.

17. Election to contribute for period prior to entry date

- (1) The person may elect to contribute to his or her accumulation account 2, 3, 4, 5 or 6 % of his or her salary for the period commencing on the later of the date on which the person became a permanent employee and 10 August 1999 and ending on the day before the person's entry date.

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(2) The person's salary for subrule (1) must be determined in accordance with rule 4 as if –

- (a) the person had been a member for that period; and
- (b) the person's entry date were the later of the date on which the person became a permanent employee and 10 August 1999.

(3) The amount payable under subrule (1) –

- (a) must be paid to the Commissioner within 12 months after the person's entry date or any further period allowed by the Commissioner; and
- (b) may be paid in instalments, but cannot be paid by way of salary sacrifice or rollover.

(4) On receipt of that amount, the Commissioner must determine, after considering any actuarial advice he or she thinks appropriate, the number of benefit points to be allocated to the person as at the person's entry date.

(5) If, at the end of the period for payment of that amount, the Commissioner has received only part of that amount, the Commissioner must determine the number of benefit points to be allocated to the person as at the person's entry date in accordance with the following formula:

$$BP \times \frac{AR}{AP}$$

where –

BP is the number of benefit points the Commissioner would have allocated to the person under subrule (4) if the amount payable under subrule (1) had been received;

AR is the amount received; and

AP is the amount payable under subrule (1).

(6) For the purpose of calculating the person's accrued employer component, the person's total number of annual benefit points includes the number of benefit points allocated to the person under subrule (4) or (5).

18. Application of rules 3, 5 and 7

(1) The Commissioner must not issue a reduced benefit classification certificate under rule 3(1) in respect of the person unless the Commissioner is of the opinion that the condition or combination of conditions referred to in rule 3(1)

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existed on the later of the date on which the person became a permanent employee and 10 August 1999.

(2) If the Commissioner issues a reduced benefit classification certificate in respect of the person, for rule 3, the person's entry date is taken to be the later of the date on which the person became a permanent employee and 10 August 1999.

(3) For rule 5, the person's entry date is taken to be the date on which the person's application was accepted by the Commissioner under rule 16(2).

(4) For rule 7, the period of membership during which the person was eligible to contribute is taken to include any period the person would have been a member eligible to contribute had the person become a member on the later of the date on which the person became a permanent employee and 10 August 1999.
