



No. of 2015.

***Defence Force Retirement Benefits (Amendment) Bill 2015.***

**ARRANGEMENT OF CLAUSES.**

1. Interpretation (Amendment of Section1).  
"accumulated account"
2. New Part IIIA.

**"PART IIIA. - CLOSURE OF DEFINED BENEFIT FUND TO NEW CONTRIBUTORS ETC.**

- 24A. CLOSURE OF FUND TO NEW CONTRIBUTORS.**
- 24B. ELECTION OF EXISTING CONTRIBUTORS TO TRANSFER TO ACCUMULATION ACCOUNT.**
- 24C. INVALIDITY BENEFIT.**
- 24D. BENEFITS ON DEATH."**



No. of 2015

A BILL

for

AN ACT

entitled

***Defence Force Retirement Benefits (Amendment) Bill 2015,***

Being an Act to amend the *Defence Force Retirement Benefits Act 1974* and for related purposes,

MADE by the National Parliament, to come into operation on 1 January 2016.

**1. INTERPRETATION (AMENDMENT OF SECTION 1).**

Section 1 of the Principal Act is amended by inserting the following definition in its alphabetical order:

““accumulation account” means a separate superannuation fund maintained and administered by the Fund, to receive and invest employee and employer contributions in compliance with the Superannuation (General Provisions) Act 2000, in respect of -

- (a) new contributors with effect from 1 January 2016; and
- (b) contributors who have elected to transfer their existing entitlements under Section 24B.”.

**2. NEW PART IIIA.**

The Principal Act is amended by inserting a new Part after Part III as follows:

**“PART IIIA. - CLOSURE OF DEFINED BENEFIT FUND TO NEW CONTRIBUTORS ETC.**

**24A. CLOSURE OF FUND TO NEW CONTRIBUTORS.**

Notwithstanding anything to the contrary contained in this Act, with effect on and from 1 January 2016, all new contributors -

- (a) shall be admitted to the Accumulation Account; and
- (b) subject to Sections 24C and 24D, shall cease to have any rights or obligations under this Act; and
- (c) shall have the rights and obligations of employees as provided in the *Superannuation (General Provisions) Act 2000*.

## *Defence Force Retirement Benefits*

### **24B ELECTION OF EXISTING CONTRIBUTORS TO TRANSFER TO ACCUMULATION ACCOUNT.**

(1) At any time prior to 1 July 2016, or any later date published by the Minister in the National Gazette, a contributor may irrevocably elect, by notice in writing to the Fund, to transfer his existing entitlements under this Act to the Accumulation Account.

(2) Upon receipt of a notice of election in accordance with Subsection (1), the Fund must, as soon as practicable -

- (a) undertake an actuarial calculation of the present value of the State's portion of the contributor's future pension entitlement; and
- (b) calculate the value of the contributor's accumulated contributions, including interest; and
- (c) transfer the total sum to the contributor's account in the Accumulation Account.

(3) Once the monies have been transferred in accordance with Subsection (2)(c), the contributor shall -

- (a) subject to Sections 24C and 24D, cease to have any rights or obligations under this Act; and
- (b) have the rights and obligations of an employee as provided in the *Superannuation (General Provisions) Act 2000*.

### **24C. INVALIDITY BENEFIT.**

A contributor who is -

- (a) a new contributor to the Accumulation Account under Section 24A; or
- (b) a contributor who has transferred to the Accumulation Account under Section 24B,

and who would otherwise have been entitled to an invalidity benefit under Part V.2 shall be entitled to a lump sum invalidity benefit calculated in a manner determined by the Minister and published in the National Gazette.

### **24D. BENEFITS ON DEATH.**

In the case of a contributor who is -

- (a) a new contributor to the Accumulation Account under Section 24A; or
- (b) a contributor who has transferred to the Accumulation Account under Section 24B,

and dies and is survived by a spouse, a spouse and children or by children, the spouse and children, as the case may be, shall be entitled to a lump sum benefit calculated in a manner determined by the Minister and published in the National Gazette.”.