

1993

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
SENATE

SUPERANNUATION (ROLLED-OVER BENEFITS) LEVY BILL 1993
EXPLANATORY MEMORANDUM

(Circulated by authority of the Treasurer,
the Hon John Dawkins, MP)

THIS MEMORANDUM TAKES ACCOUNT OF AMENDMENTS MADE BY THE HOUSE
OF REPRESENTATIVES TO THE BILL AS INTRODUCED



SUPERANNUATION (ROLLED-OVER BENEFITS) LEVY BILL 1993

GENERAL OUTLINE AND MAIN PURPOSES OF THE BILL

This Bill, together with the companion Superannuation Industry (Supervision) Bill 1993, Occupational Superannuation Standards Amendment Bill 1993, Superannuation (Resolution of Complaints) Bill 1993, Superannuation (Financial Assistance Funding) Levy Bill 1993, Superannuation Supervisory Levy Amendment Bill 1993 and Superannuation Industry (Supervision) Consequential Amendments Bill 1993, give effect to measures to substantially increase the level of prudential protection provided to the superannuation industry, and represent a substantial strengthening of the security of superannuation savings and in protecting the rights of superannuation fund members.

These seven Bills give effect to the new prudential arrangements for superannuation that the Treasurer announced on 21 October 1992.

This Bill provides for the imposition of levies on certain superannuation funds and approved deposit funds for the purpose of recouping the cost of maintenance by the Insurance and Superannuation Commission of a register of certain rolled-over benefits pursuant to the provisions of Part 12 of the Superannuation Industry (Supervision) Act 1993.

FINANCIAL IMPACT STATEMENT

The measures contained in this Bill for added protection for superannuation savings and promotion of a more efficient superannuation industry, together with the measures contained in the companion Superannuation Industry (Supervision) Bill 1993, Occupational Superannuation Standards Amendment Bill 1993, Superannuation (Resolution of Complaints) Bill 1993, Superannuation (Rolled Over Benefits) Levy Bill 1993, Superannuation Supervisory Levy Amendment Bill 1993 and Superannuation Industry (Supervision) Consequential Amendments Bill 1993, will result in additional supervisory costs being incurred by the Insurance and Superannuation Commission.

The Insurance and Superannuation Commission estimates that the additional resources needed to give effect to this package of measures will be \$4.831m in 1993-94, \$4.591m in 1994-95 and \$4.631m in 1995-96.

These additional costs will be recovered through the superannuation supervisory levy and the imposition of a new levy on certain superannuation funds and approved deposit funds as provided for in this Bill.

**EXPLANATORY NOTES ON THE SUPERANNUATION (ROLLED-OVER BENEFITS)
LEVY BILL 1993**

CLAUSE 1 SHORT TITLE

1. This clause provides the mode of citation of the Bill.

CLAUSE 2 COMMENCEMENT

2. This clause provides for the Bill to come into operation on the same day as Part 24 of the Superannuation Industry (Supervision) Act 1993.

CLAUSE 3 OBJECT OF ACT

3. This clause is a statement setting out the object of the Act.

**CLAUSE 4 APPLICATION OF SUPERANNUATION INDUSTRY (SUPERVISION)
ACT**

4. This clause extends application of certain provisions of the Superannuation Industry (Supervision) Act 1993 to this Bill.

CLAUSE 5 DEFINITIONS

5. This clause sets out definitions of a number of words and expressions for the purposes of the Bill.

CLAUSE 6 REGULATIONS MAY IMPOSE LEVY

6. Subclause (1) provides that the regulations may impose an annual levy on each eligible rollover fund holding benefits rolled over pursuant to Part 24 of the Superannuation Industry (Supervision) Act 1993.

7. Subclause (2) provides that the maximum levy that can be imposed on an eligible rollover fund in respect of a financial year is \$30,000.

8. Subclause (3) provides that the rate of levy must be applied equally to all eligible rollover funds.

CLAUSE 7 REGULATIONS

9. This clause provides that the Governor-General may make regulations for the purposes of this Bill.