

REPUBLIC OF NAURU

NAURU SUPERANNUATION (AMENDMENT) BILL 2019

EXPLANATORY MEMORANDUM

The *Nauru Superannuation (Amendment) Bill 2019* is a Bill for the *Nauru Superannuation (Amendment) Act 2019*.

This memorandum provides an explanation of the Bill and is only intended to indicate the general effect.

EXPLANATION OF CLAUSES

Clause 1 provides that, once enacted, the short title of the Bill will be the *Nauru Superannuation (Amendment) Act 2019*.

Clause 2 sets out when the Bill's provisions will commence, which is when it is certified by the Speaker.

Clause 3 amends the Principal Act which is the *Nauru Superannuation Act 2018*.

Clause 4 amends section 4 by inserting the definition for 'parliament pension' which is the parliament pension provided for under the *Parliamentary Pension Act 2008*.

Clause 5 amends section 7 of the Act by inserting a new subclause (2A). The new subclause ensures that the parliament pension fund under the *Parliamentary Pension Act 2008*, is part of the Nauru Super Scheme. Therefore, the Scheme and the Board have the power and responsibility to keep, maintain and manage the parliament pension fund.

Clause 6 inserts new clauses 9A and 9B into the Act.

The new clause 9A provides specifically for the functions of the Nauru Super Scheme in relation to the parliament pension. The specific functions are to:

- manage and invest the parliament pension separately from the Fund;
- ensure investment of the parliament pension in secured investment;
- pay the money accruing from the investment back into the parliament pension;
- pay the entitlements to the entitled persons in accordance with the *Parliamentary Pension Act 2008*; and
- keep and maintain accurate accounts and records of entitlements under the *Parliamentary Pension Act 2008*.

The new clause 9B provides specifically for the relationship between the *Parliamentary Pension Act 2008* and the *Nauru Superannuation Act 2018* so that there is no confusion or doubt as to how the two funds are maintained under the Nauru Super Scheme.

Firstly, persons entitled to a parliament pension, do not by virtue of being entitled to a parliament pension become members of the Nauru Super Scheme. However they may be members under separate employment and are eligible to become members under the criteria set out under section 22 of the *Nauru Superannuation Act 2018*.

Secondly, the parliament pension fund does not become part of the Nauru Superannuation Fund and they are to be kept and maintained separately and part of the Nauru Super Scheme.