

REPUBLIC OF NAURU

NAURU SUPERANNUATION (AMENDMENT) NO. 2 BILL 2020

EXPLANATORY MEMORANDUM

The *Nauru Superannuation (Amendment) No. 2 Bill 2020* is a Bill for the *Nauru Superannuation (Amendment) No. 2 Act 2020*.

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) No.2 Act 2020*.

Clause 2 sets out when the Bill's provisions will commence which is upon certification by the Speaker.

Clause 3 is the enabling provision for the amendment of the *Nauru Superannuation Act 2018*.

Clause 4 deletes and substitutes Section 33 of the Act. Section 33 currently provides that a member shall apply to the Board for withdrawal of his or her entire benefit from the Nauru Super Scheme on the member reaching 55 years and no longer employed.

This Clause is clarified to provide that a member can apply to withdraw all or part of his or benefits from the Nauru Super Scheme if the member is 55 years old and is no longer employed.

Clause 5 deletes and substitutes Section 34 of the Act. Section 34 currently allows withdrawals from the voluntary account every two years. Subclause (1) retains the existing provision which apply to a person who is employed and voluntarily contributing to the Fund. Such a person can withdraw an amount of not less than \$500 every two years after completing the first two years as a member.

Subclause (2) is a new provision which allows for a person who is over the age of 55 years but is still employed to withdraw. He or she can withdraw a sum of not less than \$500 at any time. This change of frequency is not captured under Section 34 as it is drafted at present.