Queensland

ANNO TRICESIMO SEPTIMO

ELIZABETHAE SECUNDAE REGINAE

# No. 45 of 1988

**An Act to amend the State Service Superannuation Act 1972-1987, the Public Service Superannuation Act 1958-1987, the Police Superannuation Act 1974-1987 and the Police Superannuation Act 1968-1987 each in certain particulars**

[ASSENTED TO 3RD MAY, 1988]

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Assembly of Queensland in Parliament assembled, and by the authority of the same, as follows:—

## PART I—PRELIMINARY

**1. Short Title.** This Act may be cited as the *Superannuation Acts Amendment Act 1988.*

**2. Arrangement.** This Act is arranged in Parts as follows:—



## PART II—AMENDMENT OF STATE SERVICE SUPERANNUATION ACT

**3. Citation.** (1) In this Part the *State Service Superannuation Act 1972-1987* is referred to as the Principal Act.

(2) The Principal Act as amended by this Part may be cited as the *State Service Superannuation Act 1972-1988.*

**4. Postponed effect of certain amendment.** Effect shall not be given to the amendment provided by section 8 in relation to the prescribed rate of contribution referred to in section 25 of the Principal Act to be paid by a contributor until the day that is the first pay day in July 1988 for that contributor and until that day section 25 of the Principal Act shall continue to be given effect as if section 8 had not been enacted.

**5. Postponed commencement of certain provisions.** Sections 9, 10 and 11 shall commence on 1 July 1988.

**6. Amendment of s. 20. Obligation of officers to contribute to the Fund.** Section 20 of the Principal Act is amended by—

(a) in subsection (5),

(i) omitting from paragraph (a) the words "where he undergoes a medical examination" and substituting the words "where he furnishes the evidence";

(ii) omitting from paragraph (b) the words "where he undergoes a medical examination" and substituting the words "where he furnishes the evidence";

(iii) omitting from paragraph (b) the words "the medical evidence submitted to it following that medical examination" and substituting the words "the evidence furnished to it";

(b) omitting the words "permanently employed" where they occur in subsections (10) and (11) and substituting in each case the words "employed full-time in a permanent capacity";

(c) in subsection (12), inserting after the word "employed" the expression "full-time";

(d) in subsection (12A), inserting after the word "employed" the expression "full-time".

**7. Consequence of person's ineligibility to contribute to Fund by reason of s. 6.** Where by reason of the enactment of section 6 a person who is contributing to the Fund within the meaning of the *State Service Superannuation Act 1972-1988* becomes ineligible to be a contributor under that Act—

(a) he shall thereupon cease to contribute to the fund;

and

(b) section 35 of that Act shall apply to him as if he were a contributor who had ceased to be an officer by reason of his resignation prior to attaining the age of 55 years.

**8. Amendment of s. 25. Further provisions re contributions.** Section 25 of the Principal Act is amended in subsection (4) by—

(a) in paragraph (a),

(i) omitting from provision (ii) the expression "five and one-half per centum" and substituting the expression "4 per centum";

(ii) omitting from provision (iii) the expression "six per centum" and substituting the expression "4.5 per centum";

(iii) omitting from provision (iv) the expression "six and one-half per centum" and substituting the expression "5 per centum";

(b) in paragraph (b),

(i) omitting from provision (ii) the expression "four and three quarters per centum" and substituting the expression "3.25 per centum";

(ii) omitting from provision (iii) the expression "five and one quarter per centum" and substituting the expression "3.75 per centum";

(iii) omitting from provision (iv) the expression "five and three quarters per centum" and substituting the expression "4.25 per centum".

**9. Amendment of s. 27. Rights of contributors for category A benefits.** Section 27 of the Principal Act is amended—

(a) in subsection (2) by—

(i) omitting the formula therein and substituting the following formula:—

$$\text{“}P = \frac{A \times 3B}{170} + \frac{A \times 3F\text{”}}{200}\ ;$$

(ii) omitting the word "and" occurring between the definitions "A" and "B";

(iii) omitting the definition "B" and substituting the following definitions:—

"B represents the contributor's length of service, expressed in years, accumulated before 1 July 1988;

F represents the contributor's length of service, expressed in years, accumulated on and from 1 July 1988 or, in the case of a contributor who becomes entitled to an incapacity pension, that would have been accumulated on and from that date had the contributor continued to be an officer until he attained the age for retirement.";

(b) in subsection (6), by inserting after the formula therein the following words:—

"if the officer became a contributor before 1 July 1988 or in accordance with the formula—

$$P = A\left(\frac{3N}{200} \times \frac{M}{C}\right)$$

if the officer became a contributor on or after 1 July 1988,".

**10. Amendment of s. 28. Rights of continuing contributors for category A benefits.** Section 28 of the Principal Act is amended in subsection (2) by—

(a) omitting the formula therein and substituting the following formula:—

$$\text{“}P = \frac{A \times 3B}{170} + \frac{A \times 3F\text{”}}{200}\ ;$$

(b) omitting the word "and" occurring between the definitions "A" and "B";

(c) omitting the definition "B" and substituting the following definitions:—

"B represents the contributor's length of service, expressed in years, accumulated before 1 July 1988;

F represents the contributor's length of service, expressed in years, accumulated on and from 1 July 1988 or, in the case of a contributor who becomes entitled to an incapacity pension, that would have been accumulated on and from that date had the contributor continued to be an officer until he attained the age for retirement.".

**11. Amendment of s. 30A. Benefits upon retirement before age 60.** Section 30A of the Principal Act is amended in subsection (1) by—

(a) omitting the formula therein and substituting the following formula:—

$$\text{“}A = B \times C \times E \left( \frac{3D}{170} + \frac{3F}{200} \right)\text{”};$$

(b) adding at the end of the definition "D" the words ", accumulated before 1 July 1988";

(c) omitting the expression "." occurring at the end of the definition "E" and substituting the expression ";";

(d) adding after the definition "E" the following definition:—

"F represents the contributor's length of service, expressed in years and ascertained as prescribed by section 26, accumulated on and from 1 July 1988.".

**12. New ss. 30B and 30C.** The Principal Act is amended by inserting after section 30A the following sections:—

"**30B. Benefits upon retrenchment.** Where a contributor ceases to be an officer by way of retrenchment duly effected in accordance with arrangements approved by the Governor in Council in relation to contributors of the class of that contributor, he is entitled to the payment of an amount calculated in accordance with the formula—

$$A = \frac{B \times C}{D} [1 - .02 (55 - E)]$$

where—

A represents the amount payable;

B represents the benefit to which the contributor would have been entitled under section 30A had he accumulated as a contributor length of service, ascertained as described by section 26, to the age of 55 years and had retired upon attaining that age;

C represents the contributor's length of service, expressed in years, after his attaining the age of 20 years or his becoming a contributor, whichever is later, as at the time of his retrenchment;

D represents the length of service expressed in years which the contributor would have had after attaining the age of 20 years or his becoming a contributor, whichever is later, had he continued as a contributor until he attained the age of 55 years;

E represents the contributor's age expressed in years and completed months at the date on which the contributor ceases to be an officer,

or to elect not to take that amount from the Fund as if he were a contributor referred to in section 35 (2).

**30C. Construction of pension benefit formula in certain cases and transfer of funds.** (1) Sections 27, 28, 29, 30 and 30A apply subject to this section.

(2) In the case of—

(a) a contributor who retires on attaining the age for retirement or retires by way of his election to retire at any time within the period of five years immediately preceding the day on which he would attain the age for retirement or the age of 60 years, in any case before 1 July 1993;

or

(b) a contributor who, before attaining the age for retirement is retired or permitted to retire on the ground of incapacity not due to wilful action on his part for the obtaining of any benefit under this Act and satisfies the Board as required by section 41 (1),

the formula prescribed by any provision of section 27 (2), 27 (6), 28 (2) or 30A (1) shall be read and construed as if the expression "$\frac{3}{200}$" therein were the expression "$\frac{3}{170}$".

(3) Where a benefit is paid to a contributor referred to in subsection (2) or a benefit is paid under section 31 in respect of a contributor, the sum standing to the credit of the fund established under the *Superannuation (Government and Other Employees) Act 1988* on account of the contributor shall be transferred to the Fund and to the State Service Additional Benefits Fund (referred to in section 52) in the proportion of 2:5.".

**13. Amendment of s. 35. Refund of contributions.** Section 35 of the Principal Act is amended—

(a) in subsection (2), by omitting the words "at the rates prescribed by section 25";

(b) in subsection (2A), by omitting all words from and including "that part" to and including the words "that amount)," and substituting the words "the amount to which the contributor would have been entitled had he ceased to be an officer by way of retrenchment duly effected in accordance with relevant arrangements approved by the Governor in Council,";

(c) in subsection (2B), by omitting the first paragraph and substituting the following paragraph:—

"(2B) Where a person who has duly made an election under subsection (2) again becomes a contributor then, unless he furnishes to the Board within three months thereafter his application in writing to retain in the Fund the prescribed amount credited to the Fund on his account, the prescribed amount shall be applied to the purchase by that person of benefit entitlements—

(a) in respect of a period of service equal to the period during which he had contributed to the Fund after his twentieth birthday and before he made his election; and

(b) in respect of any additional period of service as determined by the Actuary having regard to any of the prescribed amount credited in the Fund on his account that is attributable to contributions paid in excess of those prescribed by section 25,

as approved by the Board, having regard to the rates at which benefits would have accrued to that person had he not ceased to be an officer."

**14. Amendment of s. 41. Entitlement to receive incapacity pension.** Section 41 of the Principal Act is amended by—

(a) omitting from subsection (1) the expression "(1)";

(b) omitting subsection (2), (3), (4) and (5).

**15. Amendment of s. 50. Cost of administration.** Section 50 of the Principal Act is amended by adding at the end thereof the words "until a date appointed by Proclamation and thereafter out of the Fund and the State Service Superannuation Additional Benefits Fund referred to in section 52 in the proportion 2:5".

**16. Amendment of s. 64. Medical examination.** Section 64 of the Principal Act is amended—

(a) in subsection (1), by omitting the words "be medically examined by a medical practitioner" and substituting the words "furnish to the Board evidence satisfactory to the Board as to his or her health and physical condition";

(b) in subsection (2), by omitting the words ", after considering the report of the medical practitioner,".

## PART III—AMENDMENT OF PUBLIC SERVICE SUPERANNUATION ACT

**17. Citation.** (1) In this Part the *Public Service Superannuation Act 1958-1987* is referred to as the Principal Act.

(2) The Principal Act as amended by this Part may be cited as the *Public Service Superannuation Act 1958-1988*.

**18. Amendment of s. 27. Contributions according to scale graduated by age at commencement.** Section 27 of the Principal Act is amended by adding at the end of the section the following subsection:—

"(6) Notwithstanding the foregoing provisions of this section, on and from the day that is the first pay day in July 1988 for the contributor concerned the amount of a contributor's contributions payable in accordance with those provisions immediately before that day shall be reduced by 1.5 per centum of the amount of salary to which the contributor was entitled as at 31 December 1972.

In no case shall a contributor be entitled to a payment by reason of the reduction in the amount of his contribution.".

**19. Amendment of s. 43E. Entitlement to receive incapacity benefit.** Section 43E of the Principal Act is amended by—

(a) omitting from subsection (1) the expression "(1)";

(b) omitting subsections (2), (3), (4) and (5).

**20. Amendment of s. 47. Postponement of payment of refunds.** Section 47 of the Principal Act is amended in subsection (2) by omitting all words from and including the words "of benefit" to and including the words "that amount)," and substituting the words "to which the contributor would have been entitled had he ceased to be an officer by way of retrenchment duly effected in accordance with relevant arrangements approved by the Governor in Council,".

**21. New s. 77C.** The Principal Act is amended by inserting after section 77B the following section:—

"**77C. Benefits upon retrenchment.** Where a contributor ceases to be an officer by way of retrenchment duly effected in accordance with arrangements approved by the Governor in Council in relation to contributors of the class of that contributor, he is entitled to the payment of an amount calculated in accordance with the formula—

$$A = \frac{B \times C}{D} [1 - .02 (55 - E)]$$

where—

A represents the amount payable;

B represents the benefit to which the contributor would have been entitled had he retired upon attaining the age of 55 years;

C represents the period expressed in years for which the contributor has contributed to the Fund to the date of his retrenchment;

D represents the period expressed in years for which the contributor would have contributed to the Fund had he retired upon attaining the age of 55 years;

E represents the contributor's age expressed in years and completed months at the date on which the contributor ceases to be an officer.".

PART IV—AMENDMENT OF POLICE SUPERANNUATION ACT 1974-1987

**22. Citation.** (1) In this Part the *Police Superannuation Act 1974-1987* is referred to as the Principal Act.

(2) The Principal Act as amended by this Part may be cited as the *Police Superannuation Act 1974-1988.*

**23. Postponed effect of certain amendment.** Effect shall not be given to the amendment provided by section 25 in relation to the prescribed rate of contribution referred to in section 25 of the Principal Act to be paid by a contributor until the day that is the first pay day in July 1988 for that contributor and until that day section 25 of the Principal Act shall continue to be given effect as if section 25 had not been enacted.

**24. Postponed commencement of certain provisions.** Sections 26 and 27 shall commence on 1 July 1988.

**25. Amendment of s. 25. Further provisions re contributions.** Section 25 of the Principal Act is amended in subsection (4) by—

(a) in paragraph (a),

(i) omitting from provision (ii) the expression "seven and one-half per centum" and substituting the expression "6 per centum";

(ii) omitting from provision (iii) the expression "eight per centum" and substituting the expression "6.5 per centum";

(iii) omitting from provision (iv) the expression "eight and one-half per centum" and substituting the expression "7 per centum";

(b) in paragraph (b),

(i) omitting from provision (ii) the expression "six and one-half per centum" and substituting the expression "5 per centum";

(ii) omitting from provision (iii) the expression "seven per centum" and substituting the expression "5.5 per centum";

(iii) omitting from provision (iv) the expression "seven and one-half per centum" and substituting the expression "6 per centum";

(c) in paragraph (c),

(i) omitting from provision (ii) the expression "6.75 per centum" and substituting the expression "5.25 per centum";

(ii) omitting from provision (iii) the expression "7.25 per centum" and substituting the expression "5.75 per centum";

(iii) omitting from provision (iv) the expression "7.75 per centum" and substituting the expression "6.25 per centum";

(d) in paragraph (d),

(i) omitting from provision (ii) the expression "five and one-half per centum" and substituting the expression "4 per centum";

(ii) omitting from provision (iii) the expression "six per centum" and substituting the expression "4.5 per centum";

(iii) omitting from provision (iv) the expression "six and one-half per centum" and substituting the expression "5 per centum".

**26. Amendment of s. 27. Rights of contributors.** Section 27 of the Principal Act is amended—

(a) in subsection (2), by—

(i) omitting the formula therein and substituting the following formula:—

$$\text{“}P = \frac{K}{100} \times A\left(\frac{3B}{160} + \frac{F}{62.5}\right)\text{”};$$

(ii) omitting the word "and" occurring between the definitions "A" and "B";

(iii) omitting the definition "B" and substituting the following definitions:—

"B represents the contributor's length of service, expressed in years, accumulated before 1 July 1988;

F represents the contributor's length of service, expressed in years, accumulated on and from 1 July 1988 or, in the case of a contributor who becomes entitled to an incapacity pension, that would have been accumulated on and from that date had the contributor continued in service until he attained the age for retirement;";

(b) in subsection (2a), by—

(i) omitting the formula therein and substituting the following formula:—

$$\text{“}P = \frac{K}{100} \times A\left(\frac{B}{56} + \frac{F}{66}\right)\text{”};$$

(ii) omitting the word "and" occurring between the definitions "A" and "B";

(iii) omitting the definition "B" and substituting the following definitions:—

"B represents the contributor's length of service, expressed in years, accumulated before 1 July 1988;

F represents the contributor's length of service, expressed in years, accumulated on and from 1 July 1988 or, in the case of a contributor who becomes entitled to an incapacity pension, that would have been accumulated on and from that date had the contributor continued in service until he attained the age for retirement";

(c) in subsection (3), by—

(i) omitting the formula therein and substituting the following formula:—

$$\text{“}P = \frac{A \times 3B}{170} + \frac{A \times 3F\text{”}}{200};$$

(ii) omitting the word “and” occurring between the definitions “A” and “B”;

(iii) omitting the definition “B”, and substituting the following definitions:—

“B represents the contributor’s length of service, expressed in years, accumulated before 1 July 1988;

F represents the contributor’s length of service, expressed in years, accumulated on and from 1 July 1988 or, in the case of a contributor who becomes entitled to an incapacity pension, that would have been accumulated on and from that date had the contributor continued in service until he attained the age for retirement”;

(d) in subsection (6A), by inserting after the formula therein the following words:—

“if the member became a contributor before 1 July 1988 or in accordance with the formula—

$$P = A\left(\frac{K}{100} \times \frac{N}{62.5} \times \frac{M - C}{60 - C}\right)$$

if the member became a contributor on or after 1 July 1988,”;

(e) in subsection (6AB), by inserting after the formula therein the following words:—

“if the member became a contributor before 1 July 1988 or in accordance with the formula—

$$P = A\left(\frac{K}{100} \times \frac{N}{66} \times \frac{M - C}{62 - C}\right)$$

if the member became a contributor on or after 1 July 1988,”;

(f) in subsection (6AC), by inserting after the formula therein the following words:—

“if the member became a contributor before 1 July 1988 or in accordance with the formula—

$$P = A\left(\frac{3N}{200} \times \frac{M}{C}\right)$$

if the member became a contributor on or after 1 July 1988,”.

**27. Amendment of s. 28. Rights of continuing contributors.** Section 28 of the Principal Act is amended—

(a) in subsection (2), by—

(i) omitting the formula therein and substituting the following formula:—

$$\text{“}P = \frac{K}{100} \times A \left( \frac{3B}{160} + \frac{F}{62.5} \right)\text{”};$$

(ii) omitting the word “and” occurring between the definitions “A” and “B”;

(iii) omitting the definition “B” and substituting the following definitions:—

“B represents the contributor’s length of service, expressed in years, accumulated before 1 July 1988;

F represents the contributor’s length of service, expressed in years, accumulated on and from 1 July 1988 or, in the case of a contributor who becomes entitled to an incapacity pension, that would have been accumulated on and from that date had the contributor continued in service until he attained the age of retirement”;

(b) in subsection (2A), by—

(i) omitting the formula therein and substituting the following formula:—

$$\text{“}P = \frac{K}{100} \times A \left( \frac{B}{56} + \frac{F}{66} \right)\text{”};$$

(ii) omitting the word “and” occurring between the definition “A” and “B”;

(iii) omitting the definition “B” and substituting the following definitions:—

“B represents the contributor’s length of service, expressed in years, accumulated before 1 July 1988;

F represents the contributor’s length of service, expressed in years, accumulated on and from 1 July 1988 or, in the case of a contributor who becomes entitled to an incapacity pension, that would have been accumulated on and from that date had the contributor continued in service until he attained the age of retirement”;

(c) in subsection (3), by—

(i) omitting the formula therein and substituting the following formula:—

$$\text{“}P = \frac{A \times 3B}{170} + \frac{A \times 3F}{200}\text{”};$$

(ii) omitting the word “and” occurring between definitions “A” and “B”;

(iii) omitting the definition "B" and substituting the following definitions:—

"B represents the contributor's length of service, expressed in years, accumulated before 1 July 1988;

F represents the contributor's length of service, expressed in years, accumulated on and from 1 July 1988 or, in the case of a contributor who becomes entitled to an incapacity pension, that would have been accumulated on and from that date had the contributor continued in service until he attained the age for retirement".

**28. New s. 28A.** The Principal Act is amended by inserting after section 28 the following section:—

"**28A. Construction of pension benefit formula in certain cases and transfer of funds.** (1) Sections 27 and 28 apply subject to this section.

(2) In the case of—

(a) a contributor who retires on attaining his age for retirement or retires by way of his election to retire at any time within the period of five years immediately preceding the day on which he would attain his age for retirement, in any case before 1 July 1993;

or

(b) a contributor who, before attaining his age for retirement, is retired or permitted to retire on the ground of incapacity not due to wilful action on his part for the obtaining of any benefit under this Act,

the formula prescribed by any provision of section 27 or 28 shall be read and construed as if the formula had not been amended by section 26 or 27, as the case may be, of the *Superannuation Acts Amendment Act 1988.*

(3) Where a benefit is paid to a contributor referred to in subsection (2) or a benefit is paid under section 29 in respect of a contributor, the sum standing to the credit of the fund established under the *Superannuation (Government and Other Employees) Act 1988* on account of the contributor shall be transferred to the Fund.".

**29. Amendment of s. 33. Refund of contributions.** Section 33 of the Principal Act is amended—

(a) in subsection (1), by inserting before the words "is not entitled" the words ", subject to subsections (2) and (2A)";

(b) by renumbering subsection (2) as subsection (2D);

(c) by inserting after subsection (1) the following subsections:—

"(2) Where a contributor, before attaining his age for retirement, ceases to be a member by reason of—

(a) his resignation before attaining an age that is five years before his age for retirement;

or

(b) termination of his employment as a member before attaining an age that is five years before his age for retirement, otherwise than on account of misconduct,

and he has been a contributor for a period of 12 months at the least, he may elect as prescribed not to take from the Fund that part of the benefit prescribed by subsection (1) that is attributable to his contributions to the Fund.

An election under this subsection—

shall be in writing furnished to the Board;

and

shall be made within three months after the date on which he ceases to be a member.

(2A) Where an election is duly made under subsection (2), there shall be credited in the Fund on account of the elector an amount calculated in accordance with the formula—

$$A = \frac{B \times C}{D} [1 - .02 (F - E)]$$

where—

A represents the amount payable;

B represents the benefit to which the contributor would have been entitled had he accumulated as a contributor length of service, ascertained as prescribed by section 26, to the age expressed as F and had retired upon attaining that age;

C represents the contributor's length of service, expressed in years, after his attaining the age of 20 years or his becoming a contributor, whichever is later, as at the time he ceases to be a member;

D represents the length of service expressed in years which the contributor would have had after attaining the age of 20 years or his becoming a contributor, whichever is later, had he continued as a contributor until he attained the age expressed as F;

E represents the contributor's age expressed in years and completed months at the date on which the contributor ceases to be a member;

F represents the age that is five years before the contributor's age for retirement,

until, subject to subsection (2B)—

(a) he attains the age that is five years before his age for retirement;

(b) he satisfies the Board that he suffers a permanent incapacity by reason whereof he is unfit to discharge or incapable of discharging duties as an employee;

(c) he informs the Board in writing that he no longer desires his election to operate;

or

(d) he dies,

whereupon the prescribed amount shall be paid to him or to his legal personal representative, as the case requires.

(2B) Where a person who has duly made an election under subsection (2) again becomes a contributor then, unless he furnishes to the Board within three months thereafter his application in writing to retain in the Fund the prescribed amount credited to the Fund on his account, the prescribed amount shall be applied to the purchase by that person of benefit entitlements—

(a) in respect of a period of service equal to the period during which he had contributed to the Fund after his twentieth birthday and before he made his election;

and

(b) in respect of any additional period of service as determined by the Actuary having regard to any of the prescribed amount credited in the Fund on his account that is attributable to contributions paid in excess of those prescribed by section 25,

as approved by the Board, having regard to the rates at which benefits would have accrued to that person had he not ceased to be a member.

Where a person to whom the preceding paragraph applies again ceases to be a member in any circumstances prescribed by subsection (2) and does not make an election under that subsection the benefit to which he shall on that occasion be entitled under subsection (1) in respect of the prescribed amount applied pursuant to the preceding paragraph shall be such amount as is determined by the Actuary and approved by the Board, notwithstanding the provisions of subsection (1).

(2C) The term "prescribed amount" in subsections (2A) and (2B) means—

(a) where the elector has informed the Board in writing that he no longer desires his election to operate, the sum which he would have been entitled to be paid from the Fund pursuant to subsection (1) had he not made his election under subsection (2), less the amount already paid on his account from the Fund as benefit under subsection (1), together with interest that has accrued to the Fund since the date on which the elector ceased to be a member and that is properly attributable to that sum less that amount;

and

(b) in any other case, the amount credited in the Fund on account of the elector pursuant to subsection (2A), together with interest for the period since the date on which the elector ceased to be a member calculated at the rate of interest earned by the Fund over that period.".

**30. Amendment of s. 48. Cost of administration.** Section 48 of the Principal Act is amended by adding at the end thereof the words "until a date appointed by Proclamation and thereafter out of the Fund".

PART V—AMENDMENT OF POLICE SUPERANNUATION ACT 1968-1987

**31. Citation.** (1) In this Part the *Police Superannuation Act 1968-1987* is referred to as the Principal Act.

(2) The Principal Act as amended by this Part may be cited as the *Police Superannuation Act 1968-1988.*

**32. New s. 31A.** The Principal Act is amended by inserting after section 31 the following section:—

"**31A. Reduction in contributors' contribution in 1988.** Notwithstanding the provisions of section 31, on and from the day that is the first pay day in July 1988 for the contributor concerned the amount of a contributor's contributions payable in accordance with those provisions immediately before that day shall be reduced by 1.5 per centum of the amount of salary to which the contributor was entitled as at 31 December 1974.

In no case shall a contributor be entitled to a payment by reason of the reduction in the amount of his contribution.".

**33. Repeal of s. 55 and new s. 55.** The Principal Act is amended by repealing section 55 and substituting the following section:—

"**55. Postponement of payment of refunds.** (1) Notwithstanding the provisions of section 46, 46A or 47, where a contributor ceases to be a member by reason of—

(a) his resignation before attaining an age that is five years before his age for retirement;

or

(b) termination of his employment as a member before attaining an age that is five years before his age for retirement, otherwise than on account of misconduct,

and he makes an election pursuant to section 33 of the 1974 Act he shall by reason of his having made that election be deemed to have elected not to take from the Fund the sums referred to in sections 46, 46A and 47.

(2) Where an election is, pursuant to subsection (1), deemed to have been made, there shall be credited to the Fund on

account of the elector the amount calculated in accordance with the formula—

$$A = \frac{B \times C}{D} [1 - .02 (F - E)]$$

where—

A represents the amount payable;

B represents the benefit to which the contributor would have been entitled had he retired upon attaining the age expressed as F;

C represents the period expressed in years for which the contributor has contributed to the Fund to the date on which he ceases to be a member;

D represents the period expressed in years for which the contributor would have contributed to the Fund had he retired upon attaining the age expressed as F;

E represents the contributor's age expressed in years and complete months at the date on which the contributor ceases to be a member;

F represents the age that is five years before the contributor's age for retirement,

until, subject to subsection (3)—

(a) he attains the age that is five years before his age for retirement;

(b) he satisifies the Board that he suffers a permanent incapacity by reason whereof he is unfit to discharge or incapable of discharging duties as an employee;

(c) he informs the Board in writing that he no longer desires his election to operate;

or

(d) he dies,

whereupon the prescribed amount shall be paid to him or to his legal personal representative, as the case requires.

(3) Where a person who is deemed pursuant to subsection (1) to have elected as prescribed by that subsection again becomes a contributor the prescribed amount credited in the Fund on his account under this section shall be added to the prescribed amount credited in the Fund on his account under section 33 of the 1974 Act and shall be applied in the manner prescribed by that section.

(4) The term "prescribed amount" in subsections (2) and (3), so far as it relates to the amount that is to be paid pursuant to subsection (2) or that is to be applied pursuant to subsection (3) means—

(a) where the elector has informed the Board in writing that he no longer desires his election made under section 33 of the 1974 Act to operate, the sums which he would have been entitled to be paid from the Fund pursuant to sections 46, 46A and 47 had he not been deemed to have elected as prescribed by subsection (1) together with interest that has accrued to the Fund since the date on which the elector ceased to be a member and that is properly attributable to those sums;

and

(b) in any other case, the amount credited in the Fund on account of the elector pursuant to subsection (2), together with interest for the period since the date on which the elector ceased to be a member calculated at the rate of interest earned by the Fund over that period.".