

## Terms of Reference

A Joint Committee of both Houses be appointed with power to send for persons and papers with leave to sit during any adjournment of either House exceeding 14 days and with leave to adjourn from place to place to enquire into and report upon whether or not to:

- (1) Close off at some future date the following defined benefit superannuation schemes to new entrants:
  - (a) the Retirement Benefits Fund contributory scheme;
  - (b) the Parliamentary Retirement Benefits Scheme; and
  - (c) the Judges' Contributory Pensions Scheme.
- (2) Provide newly appointed:
  - (a) State Servants, including contract employees of all kinds;
  - (b) Parliamentarians;
  - (c) Judges;
  - (d) Solicitors-General;
  - (e) Directors of Public Prosecutions; and
  - (f) Masters of the Supreme Court.with employer funded superannuation support in line with the requirements of the Commonwealth Superannuation Guarantee (Administration) Act 1992.
- (3) Provide those new employees with the option of nominating one of a number of "complying" private sector superannuation funds into which the employer contribution is to be paid..
- (4) Provide that the Retirement Benefits Fund (RBF) non contributory scheme be the "default" scheme where no election is made under (3) above.
- (5) Provide existing members of the schemes detailed in (1) above with the option of ceasing to contribute (subject to any future Commonwealth requirements in relation to compulsory employee contributions) and participating in the non-contributory arrangements outlined in (3) and (4) above.

That the Joint Committee should also consider alternative mechanisms for reducing the level of, and the rate of growth in, the State's unfunded superannuation liability and without limiting the range of factors to be taken into consideration the Committee should, in conducting its inquiry, have regard to:

the advantages and disadvantages of defined benefit and accumulation schemes for employees and the employer;

the level of and recent growth in the State's unfunded liability in respect of Public Sector Superannuation arrangements in Tasmania;

the actions already taken in a number of other jurisdictions and trends in regard to defined benefits schemes to new entrants;

the desirability of revising public sector superannuation arrangements to ensure equity in relation to the level of employer superannuation support between the classes of persons outlined in (2) above; and

the regulatory environment associated with superannuation and changes in these arrangements expected to be made by the Commonwealth in the near future.

And that the Minister for Finance shall prepare a Background Paper for the consideration by the Committee, which will be available to all interested parties who will be given the opportunity to make submissions in relation to the matters outlined above.

And that the Committee, in undertaking this inquiry, shall have ready access to detailed expert superannuation advice from the Tasmanian Department of Treasury and Finance.

And that the number of members to be appointed to serve on the part of this House be three and that the Committee finalise its report by 31 March 1997.