Superannuation Amendment (PSSAP Membership) Bill 2020
Second Reading

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
Mr TUDGE (Aston—Minister for Population, Cities and Urban Infrastructure) (09:58): I move:

That this bill be now read a second time.

The Superannuation Amendment (PSSAP Membership) Bill 2020 extends membership of the Public Sector Superannuation Accumulation Plan to certain current and former Commonwealth employees who are not otherwise eligible to continue making contributions to a fund run by the Commonwealth Superannuation Corporation.

The PSSap, which was established on 1 July 2005, is the current default fund for new Commonwealth employees and employees of prescribed Commonwealth entities. As a fully funded accumulation scheme, the PSSap provides more modern, flexible superannuation arrangements than the older Commonwealth defined-benefit superannuation schemes, all of which are now closed to new members.

This bill ensures that the ‘choice of fund’ principle extends appropriately to Commonwealth public sector schemes. It allows current and former PSSap members to avoid paying multiple fees to maintain separate funds under different trustees. This bill will support them in saving for their retirement.

In 2017, changes to the PSSap were made to allow former PSSap members to use their existing PSSap account for future contributions if they are no longer in Commonwealth employment and are undertaking employment in which they receive superannuation guarantee contributions.

The bill will further expand the circumstances in which a former PSSap contributory member can use their existing PSSap account in respect of any employment, not just employment that attracts a superannuation guarantee obligation, and to make other contributions, such as non-concessional contributions. PSSap contributory members will also be able to make contributions to their account in respect of any non-Commonwealth employment that they undertake concurrently to their Commonwealth employment.

The bill will also allow certain members of the main Australian government defined benefit civilian superannuation schemes, the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme who are currently contributing or preserved benefit members to establish a PSSap account where they choose to also have future superannuation contributions held by the Commonwealth Superannuation Corporation.

The reforms contained in this bill are consistent with the government’s broader superannuation objectives to lower the costs that members incur for the administration and management of their superannuation accounts.

Debate adjourned.