

LOCAL GOVERNMENT SUPERANNUATION ACT 1980

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LOCAL GOVERNMENT SUPERANNUATION.

No. 76 of 1980.

AN ACT to make provision for a superannuation scheme for employees of corporations established under the Local Government Act 1960 and other bodies, to make provision for the establishment and functions of the Local Government Superannuation Board, to establish the Local Government Superannuation Fund and to empower the making of regulations providing for contributions to and benefits from that fund, to repeal the Superannuation, Sick, Death, Insurance, Guarantee and Endowment (Local Governing Bodies' Employees) Funds Act 1947-1975, and to provide for connected purposes.

[Assented to 5 December 1980.]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the Legislative

Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

PART I—PRELIMINARY.

Short title. 1. This Act may be cited as the *Local Government Superannuation Act 1980.*

Commence-
ment. 2. The provisions of this Act shall come into operation on such day or days as is or are respectively fixed by proclamation.

Interpre-
tation. 3. In this Act, unless the contrary intention appears—

“Board” means the Local Government Superannuation Board established by section 6 (1);

“chairman” includes a person appointed as a deputy of the Chairman of the Superannuation Board under section 12 of the Superannuation and Family Benefits Act 1938;

“commencement date” means the date designated as such by the Minister under section 18;

“corporation” means—

(a) a municipality or a county or regional council constituted under the Local Government Act 1960;

(b) every body or association of persons falling within the definition of “corporation” in section 2 of the Superannuation, Sick, Death, Insurance, Guarantee and Endowment (Local Governing Bodies’ Employees) Funds Act 1947;

(c) any persons declared by proclamation of the Governor under section 2 of the Superannuation, Sick, Death, Insurance, Guarantee and Endowment (Local Governing Bodies’

Employees) Funds Act 1947 to be corporations for the purposes of that Act; and

(d) any body or association of persons deemed to be a corporation by notice of the Minister under section 5;

“delegate” means a company, body, or person with whom the Board has entered into an agreement under section 11 for the delegation to that company, body, or person of any of the Board’s functions, powers, or duties;

“employee” means a person employed in a permanent capacity by a corporation in circumstances which justify an expectation that, subject to good conduct and efficiency, his employment will be continuous and permanent and does not include a person who is employed casually or in connection with a particular work or undertaking, the completion of which will put an end to his employment;

“financial year” in relation to the Board, means the period of 12 months ending on 30 June, except that the first financial year of the Board shall be the period beginning on the day when Part II of this Act comes into operation and ending on the next following 30 June;

“fund” means the Local Government Superannuation Fund established under section 12;

“insurable benefits” means the benefits payable under the scheme that are prescribed as insurable benefits;

“member” means a member of the scheme established pursuant to this Act;

“Member’s Credit” means the account of that name established and maintained in accordance with the regulations by the Board in relation to each member;

“Minister” means the Minister for Local Government;

“paragraph” means a paragraph of the section or subsection or the Schedule in which the term is used;

“previous scheme” means the scheme established under the Local Governing Bodies’ Provident Fund (Endowment) Regulations made under the Superannuation, Sick, Death, Insurance, Guarantee and Endowment (Local Governing Bodies’ Employees) Funds Act 1947;

“scheme” means the scheme of superannuation and other benefits for and in respect of employees of corporations established pursuant to this Act;

“section” means a section of this Act;

“State Superannuation Board” means The Superannuation Board constituted under the Superannuation and Family Benefits Act 1938;

“subparagraph” means a subparagraph of the paragraph in which the term is used;

“subsection” means a subsection of the section in which the term is used.

Application.

4. (1) Nothing in this Act applies to or affects the operation of the Superannuation Fund established under the City of Perth Superannuation Fund Act 1934.

(2) A person who is a member of the scheme established under the City of Perth Superannuation Fund Act 1934 may not, while he remains a member of that scheme, become a member of the scheme established under this Act.

5. The Minister may by notice published in the *Gazette* declare that, with effect from a day specified in the notice, any body or association of persons, corporate or unincorporate, shall be deemed to be a corporation for the purposes of this Act and where such a declaration is made, the body or association concerned may arrange with the Board for its employees or any of them to participate in the scheme.

Extension of application.

PART II—THE LOCAL GOVERNMENT
SUPERANNUATION BOARD.

6. (1) There is established for the purposes of this Act a Board to be known as the Local Government Superannuation Board.

Establishment of Board.

(2) The Board—

- (a) is a body corporate;
- (b) shall have an official seal;
- (c) may acquire, hold and dispose of real and personal property; and
- (d) may sue and be sued in its corporate name.

(3) All courts, judges and persons acting judicially shall take judicial notice of the seal of the Board affixed to a document and shall presume that it was duly affixed.

(4) The provisions of Schedule 1 to this Act shall have effect in relation to the Board.

7. (1) The Board shall consist of five persons of whom—

Composition of Board.

- (a) one shall be the Chairman of the Superannuation Board constituted under the Superannuation and Family Benefits Act 1938 who shall be the chairman of the Board;

- (b) one shall be nominated by the Local Government Association of Western Australia (Inc.);
- (c) one shall be nominated by the Country Shire Councils' Association of W.A.;
- (d) one shall be nominated by the Municipal Officers' Association of Australia;
- (e) one shall be nominated by the Western Australian Municipal Road Boards, Parks and Racecourse Employees' Union of Workers, Perth.

(2) The members of the Board, other than the chairman, shall be appointed by the Minister upon their nomination under subsection (1) and the Minister shall cause notice of the appointments to be published for information in the *Gazette*.

(3) The performance of the functions, or the exercise of the powers, of the Board is not affected by reason of there being a vacancy or vacancies in the membership of the Board.

(4) The appointment of a member of the Board is not invalidated and shall not be called in question by reason of a defect or irregularity in connection with his nomination.

Function of Board.

8. (1) The function of the Board is to administer the scheme subject to and in accordance with this Act and to carry out such functions as are conferred by this Act and, in particular, the Board shall be responsible for—

- (a) the collection of contributions and other moneys payable to the fund;
- (b) the authorization and payment of benefits payable under the scheme; and
- (c) the investment of the fund.

(2) The Board may do all acts and things that are necessary or convenient to be done to enable the Board to perform its functions under this Act and, in addition to other powers conferred by this Act, the Board may—

- (a) promote membership of the scheme and provide advice to contributors and expend reasonable sums from the fund for those purposes;
- (b) consult, engage, and remunerate professional persons and agents;
- (c) require corporations and members to furnish such returns and information as may be prescribed.

9. (1) Subject to subsection (2), the Board shall from time to time make arrangements for insurance in respect of the insurable benefits payable under the scheme to or in respect of members.

Insurable
benefits.

(2) If satisfied that it would be advantageous, the Board may resolve not to arrange insurance in respect of all or part of the insurable benefits payable under the scheme but instead to accept the risks as contingent liabilities of the fund.

10. (1) Subject to this Act, the State Superannuation Board shall by arrangement with the Board provide advisory and consultative services and administrative, clerical, and other services and facilities necessary for the efficient performance of the Board's functions and in particular shall provide a secretary to the Board.

Supply of
services by
the Super-
annuation
Board.

(2) Services and facilities supplied under subsection (1) may be supplied on a full or part time basis and shall be supplied on such terms and conditions, including terms and conditions as to the costs and expenses to be paid, as may be agreed by the State Superannuation Board and the Board.

(3) If the State Superannuation Board and the Board are unable to agree on the amount to be paid in any financial year by the Board to the State Superannuation Board in respect of services and facilities supplied to the Board under this section, the matter in dispute together with such representations in writing as the parties may wish to submit shall be submitted for the determination of the Minister and the Minister's determination shall be final.

Delegation
of certain
functions by
agreement.

11. (1) Notwithstanding sections 8 and 10, the Board may enter into an agreement with a company, body, or person for the delegation to that company, body, or person, subject to this Act, of any of the functions, powers or duties conferred or imposed on the Board under this Act or the regulations, other than the functions, powers or duties specified in Schedule 2 to this Act.

(2) Without prejudice to the generality of subsection (1), an agreement entered into under that subsection may make provision for or in relation to all or any of the following matters—

- (a) the collection of moneys payable to the fund;
- (b) the administration of the scheme or part of the scheme;
- (c) the investment and management of the fund;
- (d) the authorization and payment of benefits payable under the scheme.

(3) An agreement under subsection (1) and every variation of such an agreement shall be subject to the prior approval of the Minister and such agreements may be made and varied from time to time as the Board considers desirable.

(4) The Board shall ensure that every agreement entered into under this section includes provision requiring the other party to furnish the Board with such returns, accounts and other information with respect to the activities performed by that party on behalf of the Board under the agreement as the Board may require.

(5) The Governor may by order published in the *Gazette* add to or amend Schedule 2 to this Act.

12. (1) For the purposes of providing benefits to or in respect of members under this Act, there shall be a fund, to be known as the Local Government Superannuation Fund, which, subject to this Act, shall be administered by the Board.

The Local
Government
Superannu-
ation Fund.

(2) The fund shall consist of—

- (a) contributions paid by members of the scheme and by corporations in respect of such members;
- (b) all other moneys received by the Board in connection with the scheme; and
- (c) income derived from the investment of the fund,

and the fund shall be available for the payment of benefits under this Act and the costs and expenses of administering the scheme and this Act.

(3) The Board shall open and operate such bank accounts in the State as the Board considers necessary.

13. (1) The Board may, with the approval of the Minister, borrow moneys from time to time in such amounts as the Board considers necessary for the performance of its functions under this Act.

Power to
borrow.

(2) The Board may give security over any part of its assets for the repayment by the Board of amounts borrowed under this section and the payment of interest and other charges on amounts so borrowed.

Power to
invest.

14. (1) If the Board undertakes the investment of the fund, the Board may invest the fund in any of the following investments—

(a) any investments that are from time to time authorized by a law applying in the Commonwealth or any State or Territory of the Commonwealth for the investment of trust funds;

(b) subject to subsection (3), in acquiring, improving, or lending on the security of, an estate in land situated in the Commonwealth;

(c) in any investment to which paragraph (a) of this subsection does not apply by reason only that it is an investment the price of which is not quoted on a Stock Exchange in a State or Territory of the Commonwealth; or

(d) in any other investment, or class or kind of investment, approved by the Minister.

(2) An investment under this section may be made jointly or in association with any other person or persons.

(3) An investment shall not be made under paragraph (b) of subsection (1) except in accordance with independent expert advice.

(4) The Board may sell, alienate, or lease any estate in land acquired under subsection (1) and may realize, sell, convert, vary, and transpose other investments.

(5) This section does not apply to the investment or management of the fund, or any part of the fund, by a company, body or person in accordance with an agreement entered into under section 11.

15. The Board and every delegate of the Board who at any time undertakes the investment of all or part of the fund shall have regard only to the best interests of the fund in relation to the making of every such investment.

Investment
Policy.

16. (1) The Board shall cause to be kept in a manner required or approved by the Auditor General true and regular accounts and records—

Accounts
and audit.

- (a) of money received by the Board;
- (b) of money expended by the Board and the purposes for which it has been expended; and
- (c) of the assets and liabilities held or incurred by the Board.

(2) If the receipt or expenditure of money is delegated by the Board pursuant to an agreement entered into under section 11, the Board shall procure from the delegate, as soon as practicable after the end of each financial year, a full and true statement of account of all the moneys received and expended by the delegate on behalf of the Board during that year and a statement of the assets and liabilities held or incurred by the delegate on behalf of the Board as at the end of that year.

(3) The Board shall, as soon as practicable after the end of each financial year, cause a full and true statement of accounts of all the moneys received and expended by or on behalf of the Board during that year, of the assets and liabilities held or incurred by or on behalf of the Board as at the end of that year, and statements of all other matters which the Board considers of material importance to the fund, to be prepared and submitted to the Auditor General.

(4) The Auditor General shall have in respect of the accounting records of the Board like powers to those conferred on him by the Audit Act 1904 in respect of public accounts.

(5) To the extent that the statements submitted to the Auditor General under subsection (3) relate to accounts and records kept by the Board pursuant to subsection (1), the Auditor General shall audit the accounts of the Board and shall prepare a report stating that the statements are based on proper accounts and records and are in agreement with those accounts and records and that they present a true and fair view of the transactions and the state of affairs of the fund, or otherwise as the case may be, and whether there have been any other matters that are not disclosed in the statements but are of material importance.

(6) To the extent that the statements submitted to the Auditor General under subsection (3) do not relate to accounts and records kept by the Board pursuant to subsection (1) but relate to statements procured by the Board from a delegate pursuant to subsection (2), the Auditor General shall prepare a report stating whether the statements submitted to him correspond with the information contained in the statements submitted to the Board by the delegate and whether the functions performed by the delegate (as disclosed in such statements) have been delegated to the delegate by the Board in accordance with an agreement entered into under section 11.

(7) The Board shall pay reasonable expenses and remuneration from the fund to the Auditor General for his services under this section.

(8) The Auditor General shall submit his report to the Board and send a copy to the Minister.

17. (1) As soon as practicable after the Auditor General submits his report, the Board shall prepare and submit to the Minister a report of the operation

of the scheme and its accounts and statements in respect of the financial year to which the Auditor General's report relates.

(2) The Minister may, at any time prior to the submission to him of the Board's report in respect of a financial year, direct the Board to include in such report a report on any particular matter with respect to the scheme and the Board shall comply with such a direction.

(3) The Minister shall cause a copy of each report furnished to him under this section and each report of the auditor to be laid as soon as practicable before both Houses of Parliament.

PART III—THE LOCAL GOVERNMENT
SUPERANNUATION SCHEME.

18. (1) A scheme of superannuation and other benefits for and in respect of employees of corporations shall be established and administered by the Board in accordance with this Act and the regulations; and the scheme shall provide superannuation benefits from the fund based on the accumulation of the contributions of members and corporations and shall provide death and disablement benefits by means of insurance or from the fund, due allowance being made where appropriate for the costs of administration and insurance.

Establishment and commencement of scheme.

(2) The Board shall take such action as is necessary to ensure that the scheme operates on and from the commencement date.

(3) On the recommendation of the Board, the Minister may, by notice published in the *Gazette*, designate a date as the commencement date for the purposes of this Act.

19. (1) Subject to this Act, an eligible employee of a corporation may elect on or after the commencement date to become a member of the scheme established under this Act and upon so electing an employee shall continue to be a member during such period as he continues to be an employee for the purposes of this Act and shall in all respects as a member be subject to and bound by this Act.

Membership of scheme.

(2) An employee of a corporation (other than an employee who is a member of the previous scheme on the day before the commencement date) is eligible to elect to become a member of the scheme if—

(a) he has at the time of election—

(i) not less than 1 year's continuous service as an employee of the corporation; or

(ii) less than 1 year's continuous service as an employee of the corporation but his election is approved by that corporation; and

(b) in the case of an employee of a corporation other than a municipality or a county or regional council constituted under the Local Government Act 1960, his election is approved by that corporation.

(3) An election under subsection (1) shall be in writing and shall be in a form approved by the Board or prescribed for the purpose.

(4) An employee of a corporation who is on the day before the commencement date a member of the previous scheme shall, subject to this Act and with effect from the commencement date, become a member of the scheme under this Act and shall continue to be a member during such period as he continues to be an employee for the purposes of this Act and shall in all respects as a member be subject to and bound by this Act.

(5) A member of the scheme under this Act who within 6 years of ceasing to be employed by a corporation becomes an employee of the same or another corporation shall, so long as he has not been granted a benefit by the Board on the cessation of his employment, continue to be a member of the scheme for the purposes of this Act and shall in all respects as a member be subject to and bound by

this Act, but if a member of the scheme who ceases to be employed by a corporation does not become an employee of the same or another corporation within 6 years of so ceasing to be employed by a corporation or he is granted a benefit by the Board on account of the cessation of his employment, he shall thereupon cease to be a member of the scheme.

(6) Notwithstanding subsections (1) and (4), if a member of the scheme satisfies the Minister that in the special circumstances he should be permitted on religious grounds to cease being a member of the scheme, the Minister may so permit and shall inform the member and the Board accordingly and in any such case the Board shall repay to that member the aggregate amount of his contributions to the scheme.

20. A corporation has no beneficial interest in the fund or in contributions made by members or the corporation to the fund and subject to section 21, a corporation shall not be entitled to any of the moneys of the fund or other assets of the Board.

Contributions not to revert to corporation.

21. The Board and the corporation that employs a member shall have a lien on any benefit which is or becomes payable to the member for any moneys owing at any time or from time to time by the member to the Board or to such corporation on any account whatsoever and the Board may, without the consent of the member, deduct a sum equal to that owed to the Board or corporation from the benefit and discharge the debt accordingly.

Lien on benefits.

PART IV—MISCELLANEOUS.

22. (1) A person who is aggrieved by a decision to which this section applies may by notice in writing delivered to the Board object to the decision and a notice of objection shall set out the decision which is objected to and the grounds of the objection fully and in detail.

Review and appeal.

(2) A decision to which this section applies is a decision directly affecting a person in relation to the scheme made under this Act or the regulations by the Board or by a delegate pursuant to an agreement entered into under section 11.

(3) A notice of objection under subsection (1) shall be delivered to the Board within 30 days of the communication to the objector of the decision to which he objects or within such longer period as the Board may in a particular case allow upon application made before or after the expiry of the 30 day period.

(4) Upon receiving a notice of objection under this section, the Board shall review the decision in the light of the objection and shall either confirm or vary the decision and inform the objector accordingly.

(5) A person who is aggrieved by a decision of the Board on a review under this section may appeal to a judge of the Supreme Court sitting in Chambers who shall have jurisdiction to hear and determine the appeal.

(6) The decision of the judge under this section is final and conclusive and shall be given effect to by the Board.

Transfer-
ability to
City of Perth
Superannu-
ation Fund.

23. If a member of the scheme who ceases to be employed by a corporation and does not claim a benefit under this Act on account of the cessation of his employment commences employment with the City of Perth and becomes a member of the scheme established under the City of Perth Superannuation Fund Act 1934, the Board shall pay to that scheme on account of that member an amount to be determined in accordance with the regulations.

Local bodies
not to
contribute
to other
schemes.

24. A municipality or a county or regional council constituted under the Local Government Act 1960 shall not contribute in respect of its

employees to any superannuation or similar scheme other than the scheme established under this Act.

25. (1) Nothing in this Act shall affect the rights of a corporation in relation to the termination of employment of a member of the scheme and the fact of being a member under this Act shall not be taken in any respect as implying a guarantee of continued employment by a corporation.

Corpora-
tions' powers
of dismissal
not affected.

(2) Nothing in this Act and no right or expectation with respect to the accrual in the future of a benefit under this Act shall affect the quantum of damages in any action brought by a member against a corporation on account of the termination of his employment.

26. (1) Nothing in this Act shall affect the rights of a member of the scheme in relation to any claim for damages or compensation that he may have arising out of or with respect to his employment by a corporation.

Members'
rights to
compensa-
tion not
affected.

(2) Except as is specifically provided in this Act, a benefit to which a member or any other person is entitled under this Act shall not be affected by any damages or compensation payable to or in respect of the member.

27. (1) The Governor may make regulations prescribing all matters which are required or permitted to be prescribed or which are necessary or convenient to be prescribed for carrying out and giving effect to this Act, and without limiting the generality of the power hereby conferred the Governor may make regulations—

Power to
make regula-
tions.

- (a) regulating generally the making of contributions to the scheme by members and by corporations;

- (b) providing for the nomination by every member, including every member of the previous scheme, of a basic contribution rate for his contributions to the scheme and providing for the variation of such nominations;
- (c) enabling and regulating the nomination by members of supplementary contribution rates for supplementary contributions to the scheme and providing for the variation of such nominations;
- (d) providing for the nomination by corporations of contribution rates with respect to contributions to be made to the scheme by corporations in relation to their employees who are members of the scheme and for that purpose making provision for contribution rates related to the basic contribution rates of members and enabling uniform contributions and differential contributions;
- (e) providing for the variation by corporations of contribution rates nominated with respect to their contributions to the scheme;
- (f) providing for the adjustment of contributions otherwise payable under the scheme by or in respect of members of the previous scheme in circumstances where they may otherwise be disadvantaged by having transferred from the previous scheme to the scheme;
- (g) prescribing the manner of calculating the contributions to the scheme of members and of corporations;
- (h) providing for the deduction by corporations of members' contributions to the scheme from their salaries and providing for the payment to the Board of contributions so deducted and the contributions of corporations in the manner and at the intervals prescribed;

- (i) prescribing generally the circumstances when payment of contributions to the scheme is to be made, suspended, or terminated and, in particular, making provision with respect to liability for the payment of contributions during a period when a contributor is or is deemed to be on leave without pay or is temporarily and totally disabled;
- (j) for the establishment and maintenance by the Board of an account in respect of every member to be known as his "Member's Credit" and making provision for the sums to be credited to such accounts, including sums transferred from the previous scheme in accordance with Schedule 3 to this Act, sums transferred from the Superannuation Fund established under the City of Perth Superannuation Fund Act 1934, sums transferred with the approval of the Board from other superannuation schemes, contributions made by members and corporations, interest and allocations of a surplus disclosed by an actuarial valuation of the fund and for the sums to be debited to such accounts, including administration expenses, cost of insuring or otherwise providing for insurable benefits, and allocations of a deficiency disclosed by an actuarial valuation of the fund;
- (k) providing for the determination from time to time by the Board of the rate of interest that is to accrue to the balance standing in each Member's Credit;
- (l) requiring the Board to procure periodic actuarial valuations of the fund and the assets and liabilities, including Members' Credits and other contingent liabilities, of the fund and making provision with respect to the allocation or application of any surplus or deficiency disclosed by such a valuation;

- (m) prescribing generally the entitlement to benefits and the amount, manner, and time of payment of benefits payable under the scheme in respect of the retirement, death, total and permanent disablement, total and temporary disablement, and cessation of employment of members and providing for the persons to whom such benefits are payable;
- (n) prescribing the benefits payable under the scheme that are to be insurable benefits for the purposes of the Act;
- (o) requiring members to undergo such medical examinations in such circumstances as the Board may require;
- (p) empowering the Board to make special arrangements in particular cases on medical grounds whereby insurable benefits are not available or are restricted in respect of any member;
- (q) empowering the Board to adjust the benefits otherwise payable under the scheme to take account in particular circumstances of information furnished to the Board by a member;
- (r) providing for the adjustment of benefits otherwise payable under the scheme to or in respect of members of the previous scheme in circumstances where they would otherwise be disadvantaged by having transferred from the previous scheme to the scheme;
- (s) conferring on the Board a discretion to grant a benefit to or in respect of a member in the circumstances of a particular case in which a benefit is not otherwise payable under the scheme if the Board is satisfied that the grant is consistent with the general scope and intent of the scheme;

- (t) providing that a benefit payable under the scheme shall not be assigned, charged, pass by operation of law, or be an asset for the satisfaction of the liabilities of the person entitled to the benefit;
- (u) with respect to the suspension or forfeiture of benefits payable under the scheme and in any case where a benefit is suspended or forfeited empowering the Board to pay the whole or part of such benefit to any person;
- (v) for or with respect to the furnishing to the Board by corporations of such returns, accounts, and information as may be prescribed;
- (w) requiring corporations to inform their employees as to their eligibility to become members of the scheme;
- (x) providing for the supply, distribution, and availability of copies of the annual report prepared by the Board;
- (y) prescribing the procedure to be followed for objections under this Act and the making, consideration, and determination of objections;
- (z) prescribing or providing for the approval of forms for the purposes of this Act;
- (za) prescribing requirements as to information to be given in or in connection with applications, returns, claims, elections, and other documents delivered or made for the purposes of this Act, and the evidence to be supplied in support.

(2) Regulations may be made under this section—

- (a) so as to apply generally or in a particular class of case or in particular classes of cases;

- (b) so as to require a matter affected by them to be—
 - (i) in accordance with a specified requirement; or
 - (ii) as approved by, or to the satisfaction of, a specified person or body or a specified class of person or body;
- (c) so as to confer on a specified person or body or a specified class of person or body a discretionary authority.

(3) In subsection (2), “specified” means specified in the regulations.

Repeal and transitional.

28. (1) The Superannuation, Sick, Death, Insurance, Guarantee and Endowment (Local Governing Bodies' Employees) Funds Act 1947-1975 is repealed.

(2) The transitional provisions in Schedule 3 to this Act shall have effect.

SCHEDULE 1.

(section 6)

Provisions as to the Board.

Term of office.

1. Subject to this Schedule, a member of the Board, other than the chairman, shall be appointed for such term not exceeding 3 years as is specified in the instrument of his appointment and is eligible for reappointment.

Resignation.

2. A member of the Board may resign his office at any time by notice in writing delivered to the Minister.

Withdrawal of nomination.

3. The body by which a member of the Board was nominated may at any time by notice in writing delivered to the Minister withdraw nomination of that member and thereupon his office becomes vacant.

Termination of appointment.

4. (1) The Minister may terminate the appointment of a member of the Board for any cause that appears to the Minister to be sufficient.

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(2) The Minister shall terminate the appointment of a member of the Board if that member—

- (a) is an undischarged bankrupt or a person whose property is subject to an order or arrangement under the laws relating to bankruptcy; or
- (b) by reason of physical or mental incapacity, becomes permanently incapable of performing his duties as a member of the Board.

5. (1) The Minister shall appoint a deputy member in respect of each member of the Board other than the chairman. Deputy members of the Board.

(2) A person is not eligible for appointment as a deputy of a member referred to in paragraph (b), (c), (d), or (e) of section 7 (1) unless the person is nominated for appointment as a deputy of that member by the body by which that member was nominated for appointment.

(3) Section 7 (2) and paragraphs 2, 3, and 4 of this Schedule apply, subject to the necessary changes, to deputy members of the Board appointed under this paragraph in the same manner as they apply to members of the Board.

(4) If a member of the Board is absent from a meeting of the Board his deputy is entitled to attend that meeting and, while so attending, shall be deemed to be a member of the Board and to have all the powers and duties of a member.

(5) If for any reason a member of the Board vacates his office before the expiry of the term for which he was appointed, the person who immediately prior to the vacation of office of such member was the deputy of that member is, until the vacancy is filled, entitled to attend every meeting of the Board and when so attending shall be deemed to be a member of the Board and to have all the powers and duties of a member.

(6) Subject to subparagraph (5), a deputy member shall hold office for the same term as the member in respect of whom he is appointed deputy member.

6. (1) The chairman shall preside at all meetings of the Board at which he is present. Meetings of the Board.

(2) The Board shall hold such meetings as are necessary for the performance of its functions.

(3) The chairman may convene a meeting of the Board at any time and shall on request in writing by two members of the Board convene such a meeting before the expiration of 30 days after the receipt of the request.

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(4) The secretary to the Board shall notify each member of the Board of the time, date, and place of every meeting and adjourned meeting of the Board.

(5) Questions arising at a meeting of the Board shall be determined by a majority of the votes of the members of the Board voting.

(6) The Board shall cause to be kept a record of the proceedings of their meetings.

(7) Subject to this Act, the Board may regulate their own procedure.

Quorum.

7. (1) Subject to subparagraph (2) and to paragraph 8, the quorum for a meeting of the Board shall be all the members for the time being holding office as members of the Board.

(2) If a quorum is not present at a meeting of the Board, the meeting shall be adjourned for one week and, if a quorum is not then present, the meeting shall be further adjourned for one week and, if the quorum stipulated by subparagraph (1) is not then present, the members who are present shall, notwithstanding that subparagraph, constitute a quorum for the purposes of the meeting.

Disclosure of interest.

8. (1) A member of the Board who has a direct or indirect pecuniary interest in a matter that is being or is about to be considered by the Board, otherwise than as a member of and in common with other members of the scheme, shall, as soon as possible after the relevant facts have come to his knowledge, disclose the nature of his interest at a meeting of the Board.

(2) A disclosure made under subparagraph (1) of this paragraph shall be recorded in the record of proceedings of the Board and, unless the other members of the Board so resolve, the member making such disclosure shall not take part in any deliberation or decision of the Board with respect to that matter.

Common Seal.

9. (1) The form of the common seal of the Board shall be determined by the Board.

(2) The common seal of the Board shall not be used except upon the resolution of the Board.

(3) The common seal of the Board shall only be affixed to an instrument in the presence of the chairman and the secretary of the Board and the instrument shall be signed by the chairman and the secretary.

10. There shall be paid to the chairman and the other members of the Board from the fund such allowances as the Minister may approve. Allowances.

11. No liability shall attach to the Board or to a member or deputy member of the Board for any act or omission that occurred in good faith and in the exercise or purported exercise of their or his powers or in the discharge or purported discharge of their or his duties under this Act. Indemnity.

SCHEDULE 2.

(section 11)

Functions, Powers, and Duties that may not be Delegated by Board.

Item	Provision	Description
1	s. 9	Arrangements for insurable benefits.
2	s. 13	Power to borrow.
3	s. 16	Functions concerning accounts and records.
4	s. 17	Duty to prepare annual report.
5	s. 18	Functions as to establishment of scheme on commencement date.
6	s. 22	Functions as to objections.

SCHEDULE 3.

(section 28)

Transitional Provisions.

- In this Schedule, unless the contrary intention appears— Interpretation.
 - “Committee” means a Committee appointed under the Local Governing Bodies’ Provident Fund (Endowment) Regulations;
 - “former Act” means the Superannuation, Sick, Death, Insurance, Guarantee and Endowment (Local Governing Bodies’ Employees) Funds Act 1947-1975;
 - “former Regulations” means the Local Governing Bodies’ Provident Fund (Endowment) Regulations;
 - “subscriber” means a subscriber to a Provident Fund established under the former Regulations.

2. Notwithstanding the repeal of the former Act by section 28, every Committee appointed under the former Regulations shall continue in existence for so long as is necessary to enable that Committee to carry out the provisions and purposes of this Schedule. Continuance of Committees.

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Duty of
Committees.

3. Subject to this Act, every Committee shall use its best endeavours to ensure that the administration of the Provident Fund for which that Committee is responsible is complete and up to date on the commencement date and shall ensure that all claims, receipts, and payments due prior to that date are dealt with prior to that date or as soon as practicable after that date.

Committees
to furnish
information
to Board.

4. Every Committee shall deliver to the Board as soon as practicable after the commencement date such records, papers, documents, minutes, receipts and books of account relating to its operations as the Board may require.

Surrender of
policies.

5. Every Committee shall arrange for the surrender on the commencement date of every policy of assurance effected or held by that Committee in respect of subscribers and the payment to or as directed by the Board of the respective surrender values of such policies.

Transfer of
subscribers'
funds to
Board.

6. Upon the commencement date, or as soon thereafter as is practicable, every Committee shall, in respect of subscribers to the Provident Fund for which that Committee is responsible, transfer to or as directed by the Board to be held in accordance with this Act the sums credited to the Reserve Account (No. 1) and the Reserve Account (No. 2) maintained by the Committee in accordance with the former regulations.

Appropriation
of
subscribers'
funds.

7. (1) Upon the transfer of the sums in accordance with paragraphs 5 and 6, the Board shall—

- (a) record the surrender value of the policy or policies surrendered by the Committee in respect of each subscriber and credit the appropriate amount to each member's Member's Credit; and
- (b) calculate the interest of each subscriber in the sums transferred to the Board from the Reserve Account (No. 1) and Reserve Account (No. 2) maintained by every Committee in accordance with the former regulations and credit the appropriate amount to each member's Member's Credit.

(2) The interest (if any) of each subscriber in the aggregate of sums transferred from every Reserve Account (No. 1) shall be the amount recorded by the appropriate Committee as the value of the subscriber's interest in that Account.

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- (3) The interest of each subscriber in—
- (a) the balance of sums transferred from every Reserve Account (No. 1) after allowance is made for all amounts referred to in subparagraph (2), and
 - (b) the aggregate of sums transferred from every Reserve Account (No. 2),

shall be of the same proportion as the surrender value of the policy or policies held by a Committee immediately prior to the commencement date under the previous scheme in respect of that subscriber bears to the aggregate of the surrender value of such policies then held by all Committees in respect of subscribers.
