

Anglican Provident Fund Ordinance 1990 Amendment Ordinance 1995

Explanatory Statement

Introduction

1. This explanatory statement has been prepared from information provided by Anglican Provident Fund ("APF").

Background

2. APF insures part of its liability to pay benefits on the death or total disablement of a member with an insurance company. This is a common superannuation fund practice and has been advised to members.

3. However, the Anglican Provident Fund Ordinance 1990 ("Ordinance") currently requires the Board of APF to make an assessment of whether a member is totally disabled. This is unsatisfactory because -

- (a) it places an unnecessary duty on the Board; and
- (b) where the Board forms a different opinion from that of the insurer, the Board may be required to pay a benefit which is not funded.

4. Under existing practice, full retirement benefits are available to members on reaching age 55 where they cease to be licensed or cease to work for the Anglican Church etc. Currently, the Ordinance does not specify this.

5. Benefits are payable under the Ordinance (and can be paid under the law) when a member reaches age 65 irrespective of whether he stops work. Some members have requested the Board to retain their benefits until they do actually stop work or wish to take their benefits. The law allows this up to age 70.

Proposed Action

6. To deal with the problems in items 2 to 5, the bill for the Anglican Provident Fund Ordinance 1990 Amendment Ordinance 1995 proposes that the Ordinance be amended as follows -

- (a) To change the definition of the term "Permanent Incapacity of Permanent Invalidity" to adopt the meaning used in the insurance policy effected by APF.
- (b) To change the early retirement benefit to reflect the existing situation that the benefit can be paid whenever the member retires after age 55.
- (c) To insert a new power to specifically allow the Board to agree with the member to hold a retirement benefit and pay it after the date of retirement.
- (d) To make consequential changes.

Recommendation

7. The Standing Committee recommends that the Synod pass the Bill.

For and on behalf of the Standing Committee

MARK PAYNE
Legal Officer

18 March 1996