



## Jurisdictional Policy Advice No. 2007/13

### *Safety, Rehabilitation and Compensation Act 1988*

#### Notice of transitional rate and the rate from 1 July 2007 applicable to “weekly interest on the lump sum” – new sub section 21(5)

### Background

1. The *Safety, Rehabilitation and Compensation and Other Legislation Amendment Act 2007* (SRCOLA) received Royal Assent on 12 April 2007.
2. This Act amends the provisions of the *Safety, Rehabilitation and Compensation Act 1988* (the SRC Act) which apply to claimants who receive a lump sum superannuation benefit as a result of retirement.
3. Jurisdictional Policy Advice 2007/12 outlines changes in the way that post retirement weekly payments are calculated - including new sub sections 21(3) and 21A(3).
4. Under the new sub section 21(5), the Minister will specify the rate applicable for the purpose of “weekly interest on the lump sum” as provided for in the formulae used to calculate post retirement payments under subsections 21(3) and 21A(3) for the period of 12 months commencing from 1 July each year.
5. Under the transitional provisions, the Minister may specify a rate that applies for the period starting on the day on which the new sub sections 21(3) and 21A(3) commence (a date set by proclamation) and ending on 30 June 2007.

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6. Determining authorities should have suitable processes and procedures in place to ensure that all calculation of entitlements under new sections 21(3) and 21A(3) use the transitional rate (see paragraph 9) specified by the Minister from the day on which the amendments to sub sections 21(3) and 21A3 commence. That date is **27 April 2007**.
7. They should also have suitable processes and procedures in place to ensure that all calculation of entitlements under new sections 21(3) and 21A(3) use the rate (see paragraph 10) specified by the Minister under the new sub section 21(5) from 1 July 2007.
8. These sections apply to all employees on subsection 21(3) and 21A(3) benefits, regardless of when the employee retired.
9. The transitional rate specified by the Minister for the period (the date of proclamation) **to 30 June 2007 is 5.72%**.
10. The rate to apply **from 1 July 2007 is 5.72%**.
11. Rates to apply from 1 July 2008 and beyond will be notified by Comcare prior to the commencement of those financial years following the Minister's declaration of the applicable rate.
12. Any queries in relation to this policy advice may be discussed with SRC Policy, phone 1300 366 979 or email [SRC.Policy@comcare.gov.au](mailto:SRC.Policy@comcare.gov.au)

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