

Hon. Sir J. G. Ward.

GOVERNMENT RAILWAYS SUPERANNUATION FUND.

ANALYSIS.

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A BILL INTITULED

AN ACT to establish a Superannuation Fund in connection with the Government Railways Department. Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows :—

1. The Short Title of this Act is "The Government Railways Superannuation Fund Act, 1901"; and it shall come into operation on the *first* day of January, one thousand nine hundred and *two*: Short Title.

10 Provided that no payment shall be made out of the fund hereinafter mentioned before the *first* day of January, one thousand nine hundred and *three*.

2. In this Act, if not inconsistent with the context,—

15 "Board" means the Government Railways Superannuation Fund Board under this Act: Interpretation.

"Department" means the department of the public service employed in connection with the Government railways open for traffic:

20 "Fund" means the Government Railways Superannuation Fund:

"Medically unfit for further duty" means that on the certificate of at least two medical practitioners approved by the Board it is established to the satisfaction of the Board

that, by reason of mental or bodily infirmity not caused by irregular or intemperate habits, the contributor has become permanently unable to perform his duties any longer:

“ Minister ” means the Minister for Railways: 5

“ Pay ” of a contributor means the actual sum paid to him as salary or wages in respect of his service, but does not include allowances or payment for overtime.

THE FUND.

- Fund established. 3. There is hereby established in connection with the department a fund to be called “ The Government Railways Superannuation Fund.” 10
- Moneys forming fund. 4. The fund shall consist of,—
 (1.) The contributions from persons employed by the department and the subsidy contributed by the Colonial Treasurer, as hereinafter provided. 15
 (2.) The moneys now in the Railway Servants’ Fund, and all fines and penalties which would hereafter be payable to such last-mentioned fund but for the passing of this Act.
 (3.) Interest from time to time accruing from investment of the fund, as hereinafter provided. 20
- Person employed before commencement of Act may elect to contribute. 5. (1.) Every person who at the commencement of this Act is permanently employed in any capacity by the department may, at any time within six months after the commencement of this Act, elect to become a contributor to the fund. 25
 (2.) If he so elects, he shall be entitled to all the benefits of the fund, subject to the provisions of this Act.
 (3.) If he does not so elect within six months from the commencement of this Act, he shall not at any future time become a contributor to the fund or participate in its benefits. 30
- After commencement of Act contribution to fund a condition of employment. 6. With respect to persons who are first permanently employed in any capacity by the department after the commencement of this Act, it shall be a condition of their employment that they shall contribute to the fund and be entitled to its benefits as hereinafter provided. 35
- Amount of deduction. 7. There shall be deducted from the pay of all contributors, at each four-weekly railway accounting period, a sum equal to three per centum of the amount of such pay.
- To be paid to Public Trustee. 8. The amount so deducted shall forthwith be paid by the department to the Public Trustee to the credit of an account in the name of the fund. 40
- Contribution to fund by Government. 9. In addition to the amounts so deducted, there shall be paid by way of subsidy to the fund, by the Colonial Treasurer, at each such accounting period, without further appropriation by Parliament, a sum equal to the total amount of the deductions made under section seven during each preceding accounting period. 45
- Railway Servants’ Fund abolished. 10. (1.) The Railway Servants’ Fund under “ The Government Railways Act, 1900,” is hereby abolished, and the moneys now standing to the credit thereof shall be transferred to the Government Railways Superannuation Fund. 50

(2.) All fines, penalties, and other moneys which, but for the passing of this Act, would be payable to the Railway Servants' Fund shall hereafter be paid into the Government Railways Superannuation Fund.

5 11. The Public Trustee shall from time to time invest the fund or any part thereof in such lawful securities as will return the highest rate of interest. Investment of fund.

10 12. (1.) The fund shall be administered by a Board, called "The Government Railways Superannuation Fund Board," and consisting of eight members, namely:— Administration of fund.

The Minister,
The Solicitor-General,
The Public Trustee,
The General Manager,

15 The two elected members of the Appeal Board for the North Island, and

The two elected members of the Appeal Board for the Middle Island.

(2.) At all meetings of the Board three shall form a quorum.

20 (3.) The Minister shall be Chairman at all meetings of the Board at which he is present, and at any meeting at which he is not present the Board shall appoint a Chairman from the members present.

25 (4.) Subject to the regulations under this Act, the Board may prescribe its own procedure.

BENEFITS OF THE FUND.

13. The fund shall be held and applied for the benefit of the contributors in the manner and subject to the conditions hereinafter set forth. Application of fund.

30 14. Every contributor whose length of service in the department is not less than twenty-five years, and whose age is not less than sixty years, may at any time retire from the service of the department at the expiration of three months' notice of his intention so to do, and shall thereupon be entitled to receive from the fund an annual allowance for the rest of his life computed as follows:— Retiring allowance.

35 For every year during which he has contributed to the fund he shall receive one-sixtieth part of the average annual rate of pay received by him during that period, but so that in no case shall he receive more than two-thirds of such average annual rate of pay.

40 15. Every contributor who with the consent or by the direction of the Minister retires from the service of the department on the ground of being medically unfit for further duty shall on his retirement be entitled to receive from the fund an allowance for the rest of his life computed as mentioned in the *last preceding* section, but not exceeding the maximum amount therein limited. Contributors medically unfit for duty to participate.

45 16. (1.) Every contributor who is entitled to compensation on his retirement from the railway service under section seventy-six of "The Government Railways Act, 1887," shall, in respect of such compensation, be entitled— Compensation under "The Government Railways Act, 1887."

50 (a.) To receive the whole amount thereof on his retirement; or

(b.) To apply the whole amount thereof in increasing the rate of his retiring allowance, as hereinafter provided; or

(c.) To apply such part thereof as he may desire in so increasing the rate of his retiring allowance, and to receive the remainder of such compensation on his retirement. 5

(2.) Every such contributor shall, at or before the time of his retirement, specify in writing which of the foregoing courses he desires to adopt, and the compensation to which he is entitled shall be dealt with accordingly.

(3.) If he elects to apply the compensation or any part thereof in increasing the rate of his retiring allowance, then the amount so applied shall be contributed by him to the fund, and the rate of his retiring allowance shall be increased as follows:— 10

The contribution of so much of the compensation as is equal to one-twentieth part of the contributor's annual pay, on the twenty-seventh day of January, one thousand eight hundred and eighty-nine, the date on which compensation ceased to accrue, shall entitle him to the addition of one year to the actual number of years during which he has been a contributor, and so on for as many years as such one-twentieth part is contained in the amount so contributed: Provided that the whole amount of the compensation which may be contributed under this section shall be so limited as that the total retiring allowance shall not exceed two-thirds of the average annual rate of pay for the whole period on which the retiring allowance is calculated. 15 20 25

Death of contributor before retirement.

17. (1.) If any contributor dies before becoming entitled to any retiring allowance, there shall be paid to his legal personal representatives the whole amount actually contributed by him to the fund, but without interest thereon. 25

(2.) But if such contributor dies from injuries received while in the execution of his duty, and leaving a wife or children him surviving, then (in lieu of such payment to his legal personal representatives) there shall be paid to or for the benefit of his widow, during her widowhood, the annual sum of eighteen pounds, with an additional sum to be paid to or for the benefit of his children (if any) of five shillings per week, in the case of each child, until the child attains the age of fourteen years. 30 35

(3.) The annual payment to or for the benefit of the widow or children shall be made in such manner, to such person, and by such instalments during the year as the Board thinks fit. 40

Contributor voluntarily retiring or dismissed.

18. If any contributor voluntarily retires from the service of the department before becoming entitled to a retiring allowance under this Act, or is dismissed, or if his services are dispensed with from any cause, he shall be entitled to a refund of the whole amount actually contributed by him to the fund, but without interest. 45

Contributions while pay stopped for ill-health.

19. If at any time the pay of a contributor is temporarily stopped by the department on the ground of ill-health, he shall be permitted to continue to contribute to the fund in such manner as may be prescribed by regulations.

MISCELLANEOUS.

Retiring allowance to be paid monthly.

20. With respect to every retiring allowance granted under this Act, the following provisions shall apply:— 50

- (1.) The retiring allowance shall be paid by equal monthly instalments, the first instalment being payable one month after the date of the grantee's retirement.
- 5 (2.) The grantee may, on his retirement, or at any time before receiving his first instalment, elect to accept a sum equal to the total amount of his contributions to the fund in lieu of his retiring allowance, in which case he shall be entitled to receive such sum in lieu of an allowance. Grantee may elect to receive refund of contributions.
- 10 (3.) If, not having so elected, he dies before the total amount paid to him in respect of retiring allowance is equal to the total amount of his contributions to the fund, the Board shall apply for the benefit of his widow and children (if any) the difference between the aforesaid amounts. On death of grantee, benefit of widow and children.
- 15 (4.) His retiring allowance, or any one or more instalments thereof, may be forfeited by the Board in any of the following events:— Retiring allowance or instalment may be forfeited.
- (a.) If he is convicted of any crime on indictment ;
or
- 20 (b.) If he knowingly becomes the associate of thieves, prostitutes, or other persons of bad repute ; or
- (c.) In the case of a retiring allowance being granted before the contributor has attained the age of sixty years on the ground of his being medically unfit for further duty, if he fails to submit himself for further medical examination when required by the Minister, or if, being reported medically fit to return to duty, he fails to do so when required by the Minister.
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21. Where by the direction or with the consent of the Minister a contributor returns to duty while in receipt of a retiring allowance, his allowance shall cease, and all his rights and liabilities under this Act as a contributor shall revive. Return to duty after being medically unfit.
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22. In no case shall any retiring allowance or other money granted under this Act be in any way assigned, transferred, or alienated from the grantee, or be subject to "The Bankruptcy Act, 1892." Retiring allowance not alienable.
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23. In any case where any payment is made under "The Workers' Compensation for Accidents Act, 1900," to or in respect of any contributor the benefits that would accrue to or in respect of such contributor under this Act shall absolutely cease and determine. Benefits to cease on payment under "Workers' Compensation for Accidents Act, 1900."
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24. The Board shall keep full and correct accounts of all moneys received and expended, and of all credits and liabilities, and shall within twenty-eight days after the thirty-first day of March in every year cause to be prepared a balance-sheet for the year, together with a statement of receipts and expenditure for
- 45 the year. Board to keep accounts.
25. Such balance-sheet and statement of accounts, after being audited by the Audit Office, shall, within ten days after the completion of the audit, be laid by the Minister before Parliament, if sitting, or if not, then within ten days after the commencement of
- 50 the next ensuing session, and a copy thereof shall be sent to each contributor. Balance-sheet.

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26. The rights and benefits provided for by this Act, whether the same have or have not been actually acquired, shall be subject to all such modifications as may be provided by any Act hereafter passed in amendment or repeal of this Act :

Provided that nothing in this section shall affect any payments actually made to any member or other person under this Act prior to the passing of such amending or repealing Act. 5

Regulations.

27. The Governor may from time to time, by Order in Council gazetted, make such regulations as he thinks necessary for any of the following purposes :— 10

- (1.) Prescribing the powers, functions, and procedure of the Board ; and
- (2.) Generally prescribing whatever else he thinks necessary in order to give full effect to this Act.