

Hon. Mr. Russell.

PUBLIC SERVICE CLASSIFICATION AND SUPERANNUATION AMENDMENT.

ANALYSIS.

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A BILL INTITULED

AN ACT to amend the Public Service Classification and Superannuation Act, 1908. Title.

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

1. This Act may be cited as the Public Service Classification and Superannuation Amendment Act, 1915, and shall form part of and be read together with the Public Service Classification and Superannuation Act, 1908 (hereinafter referred to as the principal Act). Short Title.

2. (1.) For the purposes of Part II of the principal Act the term "salary" of a contributor, if not inconsistent with the context, means the rate of salary or wages paid in respect of his service, and includes all payments and allowances of a continuing nature, but does not include— Definition of "salary."

- (a.) Payments for overtime; or
- (b.) Payments by way of reimbursement of expenditure incurred by a contributor in the course of his duties; or

- (c.) Payment for the use in the public service of property belonging to the contributor; or  
 (d.) Travelling-allowances, camp or field allowances, or cadets' lodging-allowances; or  
 (e.) Any payment which, in the opinion of the Board, is not properly to be regarded as salary.

(2.) If any dispute arises as to the extent or application of this section, the same shall be determined by the Board, whose decision thereon shall be final and conclusive.

Repeal.

(3.) Section eighteen of the principal Act is hereby amended by repealing the definition of the term "salary."

Provision as to contributor who retires from Service before becoming entitled to retiring-allowance and subsequently re-enters Service.

3. Section twenty-seven of the principal Act is hereby amended by adding the following proviso:—

"Provided that if any contributor who retires from the Public Service before becoming entitled to a retiring-allowance accepts a refund of his contributions and subsequently re-enters the Public Service and becomes permanently employed therein, he shall thereupon be bound to become a contributor to the fund in the same manner in all respects as if he had not formerly been a contributor thereto."

Provisions as to contributors entitled to compensation under Civil Service Act, 1866.

4. (1.) If a male contributor who is entitled under the Civil Service Act, 1866, to receive compensation for loss of office dies while he is still in the Public Service not leaving a wife surviving him, but leaving a child or children, in addition to the payments (if any) under section forty-two of the principal Act, there shall be payable, out of the Consolidated Fund, to his personal representatives, in trust for such child or for such children in equal shares, the same amount of compensation as would have been payable to the deceased if he had retired compulsorily from the Public Service immediately before his death.

(2.) Section twenty-six of the Appropriation Act, 1910, is hereby amended by omitting from paragraph (e) of subsection one the words "and no moneys shall be payable out of the fund except the amount of his contributions."

(3.) Section thirty-two of the principal Act is hereby amended by omitting, from paragraph (e), the words "and no moneys shall be payable out of the fund except the amount of his contributions."

Section 42 of principal Act amended.

5. Section forty-two of the principal Act is hereby amended by repealing paragraph (b), and substituting the following paragraph:—

"(b.) Every such election shall be made by the widow by writing under her hand, delivered to the Secretary of the Board, and such election shall be final."

Revival in certain cases of widow's right to elect to receive annuity or balance of deceased husband's contributions.

6. If the Board is satisfied that a widow has, before the passing of this Act, in any case accepted an annuity in lieu of the balance of her deceased husband's contributions in ignorance of the fact that she had a right to elect to accept such balance, the Board may allow her to make a fresh election within six months after the passing of this Act, and in the event of an election to accept such balance the Board shall deduct therefrom such amount as it considers equitable, taking into consideration the amount received by way of annuity, and shall pay the balance to the widow.

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7. Section forty-six of the principal Act is hereby amended by inserting, after the words "any person," the words "or any moneys payable out of the Consolidated Fund by virtue of this Act or of any Act amending this Act."

Section 46 of principal Act amended.

5 8. (1.) Section forty-seven of the principal Act is hereby amended—

Financial year for purposes of principal Act to close in March instead of December.

(a.) By omitting from subsection one the word "April," and substituting the word "July"; and

10 (b.) By omitting the word "December" in the same subsection, and substituting the word "March."

(2.) The actuarial examination of the fund under section forty-eight of the principal Act, to be made next after the commencement of this Act, shall be made for the period commencing on the first day of January, nineteen hundred and *fourteen*, and ending on the 15 thirty-first day of March, nineteen hundred and *seventeen*, and thereafter the actuarial examination shall be made for each triennial period after the said thirty-first day of March, nineteen hundred and *seventeen*.

20 9. Section forty-nine of the principal Act is hereby amended as follows:—

Section 49 of principal Act amended.

(a.) By omitting from subsection one the word "January," and substituting the word "April"; and by omitting from the same subsection the words "together with such further amount (if any) as is deemed by the Governor in Council, in accordance with the aforesaid report of the actuary, to be required to meet the charges on the fund during the ensuing year;" and

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(b.) By inserting after subsection one the following subsection:—

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"(1A.) So soon as the report of the actuary for any triennial period is received by the Board the Minister of Finance shall pay into the fund and out of the Consolidated Fund, without further appropriation than this Act, the amount specified in the report as being the probable additional sum required by the fund for that year, and in the month of April in the two next succeeding years shall, in the same manner, pay into the fund the amounts specified in the report as being the probable additional sums required for those years respectively."

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10. Section forty-four of the Public Service Classification and Superannuation Amendment Act, 1908, is hereby amended by omitting from subsection one the words "when required by the Minister in charge of the Department to which that employment pertains," and substituting the words "when duly required to accept such employment."

Section 44 of Amendment Act, 1908, amended.

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11. (1.) Section fifty of the Public Service Classification and Superannuation Amendment Act, 1908, as amended by section ten of the Public Service Classification and Superannuation Amendment Act, 1909, is hereby amended by omitting from subsection two the words "within two years after the commencement of this Act."

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Further provisions as to contributors with broken service.

(2.) In addition to the payment required to be made pursuant to subsection two of section fifty of the Public Service Classification and Superannuation Amendment Act, 1908, every contributor who takes advantage of the said section after the commencement of this Act shall be required to pay compound interest at the rate of *five* 5 per centum per annum, computed with annual rests as from the tenth day of October, nineteen hundred and *ten*, to the date of payment, on the amount that would have been payable by him under the said section.

(3.) The Board may, on such terms and subject to such con- 10 ditions as it thinks fit, permit any contributor to whom the said section fifty, as amended by this section, applies to pay by instalments any sum payable under the said section :

Provided that in any such case interest as provided in the *last preceding* subsection shall be payable on the amount for the time 15 being outstanding and unpaid.

(4.) The Board may at any time, by not less than six months' notice published in the *Gazette*, fix a date as the latest date on which contributors may elect to make payments under this section.

Modification of section 51 of Amendment Act, 1908, relating to contributors who had been temporary employees.

12. Notwithstanding the provisions of subsection three of sec- 20 tion fifty-one of the Public Service Classification and Superannuation Amendment Act, 1908, a contributor to whom the said subsection applies shall be entitled to count as part of his length of service the period of his continuous service between the thirtieth day of June, nineteen hundred and eight, and the date on which he 25 became a contributor to the fund, if he elects in writing, within twelve months after the commencement of this Act, to pay to the fund, in such manner as may be agreed on by the contributor and the Board, such amount as may be determined by the Board.

Section 2 of Amendment Act, 1909, amended.

13. Section two of the Public Service Classification and Super- 30 annuation Amendment Act, 1909, is hereby amended by omitting from subsection two the word "said."

Board may agree with contributor for reduction of retiring-allowance in consideration of increased annuity to widow on death of contributor.

14. (1.) Every male contributor to the fund who retires from the service on a retiring-allowance may, on retirement or within *six months thereafter*, enter into a contract with the Board for 35 the payment to him of a retiring-allowance at a rate less than the rate to which he would otherwise be entitled under the principal Act or any Act amending that Act, and in consideration thereof the Board may agree with the contributor, subject to the provisions hereinafter contained, to pay out of the fund to the widow of the contributor 40 during her lifetime an annuity at such rate as may be agreed on, not exceeding *one hundred pounds per annum*.

(2.) An annuity under this section shall be in addition to, and not in substitution of, any annuity payable under section forty-two of the principal Act. 45

(3.) Every application under this section by a contributor for a reduced retiring-allowance, in consideration of an annuity to his widow, shall be submitted by the Board to the actuary appointed under section forty-eight of the principal Act, and the Board shall not agree to grant an annuity in excess of such amount as may be 50 recommended by the actuary, on terms approved by the actuary.

(4.) Before entering into an agreement with any contributor under this section the Board shall obtain a medical report in the prescribed form with respect to the contributor.

15 (1.) The Secretary and other officers of the Board shall be and be deemed to have been members of the Public Service within the meaning of the principal Act.

Status of officers.

10 (2.) The salaries of such officers (other than the Secretary) and all contingent expenses connected with the administration of the principal Act and of the fund shall, as from the first day of April, nineteen hundred and *sixteen*, be paid out of moneys to be from time to time appropriated by Parliament for the purpose out of the Public Service Superannuation Fund Account.

Appropriation of salaries, &c.

15 (3.) All other moneys payable out of the said account shall be paid without further appropriation than the principal Act or Acts amending the same.

16. Section twenty-two of the principal Act is hereby amended by omitting the words "Four persons to be appointed and removable by the Governor in Council," and substituting the following:—

Constitution of Board modified.

20 "The Government Insurance Commissioner:

"The State Advances Superintendent:

"The Secretary of the Post and Telegraph Department:

"The Valuer-General."

25 17. (1.) All moneys payable to the fund (other than moneys payable thereto under section forty-nine of the principal Act as amended by section eight of the Public Service Classification and Superannuation Amendment Act, 1912) shall be paid in the first place into the Post Office Account.

Contributions payable in first place to Post Office Account, and balance to be paid to Public Service Superannuation Fund Account.

30 (2.) Out of the moneys so paid into the Post Office Account the Postmaster-General shall, as and when directed by the Board, pay all moneys properly payable out of the fund, and shall from time to time, on a date in each month to be prescribed by regulations in that behalf, pay into the bank at Wellington at which the Public Account is for the time being kept, to the credit of an account to be called "the Public Service Superannuation Fund Account," the  
35 balance of the moneys in the Post Office Account belonging to the fund, or so much thereof as the Board from time to time directs.

(3.) Section two of the Public Service Classification and Superannuation Amendment Act, 1911, is hereby repealed.

Repeal.

40 18. All moneys withdrawn from the Public Service Superannuation Fund Account shall be withdrawn only by cheque signed by a member of the Board and the Secretary, and countersigned by the Controller and Auditor-General or such Audit officer as may from time to time be authorized by him.

How account to be operated on.

45 19. (1.) The Board may, by notice in writing under the hand of the Chairman, require the Public Trustee to transfer to the Public Service Superannuation Fund Account all moneys in the common fund belonging to the Public Service Superannuation Fund, or so much of those moneys as may for the time being be required by the Board for the purposes of this Act, and may in like  
50 manner require the Public Trustee to appropriate to the Board all securities relating to investments held by the Public Trustee on behalf of the said fund, and thereupon the Public Trustee shall, in

Public Trustee to transfer funds and appropriate securities for fund.

such manner and at such times as may be mutually agreed on by the Board and the Public Trustee, transfer such moneys and appropriate such securities accordingly.

(2.) Where moneys belonging to the Public Service Superannuation Fund have (whether before or after the commencement of this Act) been invested by the Public Trustee but the investments have not been kept separate from other investments, the Board may agree with the Public Trustee to take over such securities as may be mutually agreed on, and those securities shall thereafter be deemed to be in respect of investments of moneys belonging to the Public Service Superannuation Fund, and all moneys thereafter payable by way of interest on or for the redemption of such securities, or otherwise in respect thereof, shall be paid into the fund. 5 10

(3.) The securities to be taken over as aforesaid shall be selected from all the Common Fund investments of the Public Trust Office, and the selection shall be so made that investments at each separate rate of interest shall be taken over *pro rata*. 15

(4.) In the event of any dispute between the Board and the Public Trustee in respect of any matter arising out of this section the matter shall be submitted to the Controller and Auditor-General, and his decision shall be final and conclusive. 20

Investment of fund.

20. (1.) Any part of the moneys for the time being in the Public Service Superannuation Fund Account may be invested by the Board in any of the following classes of security, namely:—

- (a.) In securities of the Government of New Zealand; 25
- (b.) In debentures issued by the local authority of any county, borough, road district, town district, river district, water-supply district, drainage district, or harbour district, under any law now or hereafter in force, and secured upon general or special rates, or partly by rates and partly in some other manner; 30
- (c.) In advances by way of first mortgage on the security of any real estate held in fee-simple in New Zealand, to an amount not exceeding three-fifths of the estimated value of such estate, according to a valuation approved by the Board; 35
- (d.) In deposits in any bank of issue in New Zealand, or in the Post Office Savings-bank; or
- (e.) In any other securities that may from time to time be authorized by the Governor in Council on the recommendation of the Board. 40

(2.) No loan on mortgage under this section shall exceed twenty thousand pounds, nor shall more than twenty thousand pounds be lent on mortgage to any one person or company.

(3.) All mortgages executed after the commencement of this Act in respect of the investment of moneys belonging to the fund shall be in the name of the Public Trustee on behalf of the Public Service Superannuation Board. 45

(4.) With respect to the investment of the fund the following special provisions shall apply:—

- (a.) Applications for loans on any authorized security shall be received and considered by the Board: 50

5 (b.) Before granting any application for a loan on the security of any real estate the Board shall require a special valuation of the property to be made, and for this purpose the Public Trustee shall, if so requested by the Board, forthwith cause a valuation to be made in the same manner as valuations are made for the purpose of the investment on real security of capital moneys in the Public Trust Office, and submit such valuation to the Public Service Superannuation Board :

10 (c.) The Board shall thereupon further consider the application, and if it approves the same, either wholly or in part, shall request the Public Trustee to prepare all documents and do all other things necessary for securing the proposed loan, and the Public Trustee shall thereupon cause all such documents to be prepared and all such acts to be done accordingly.

15 (5.) All loans advanced on any such securities shall be paid out of the fund in the manner prescribed by section *eighteen* hereof, and all moneys received either by way of interest on or repayment of loans  
20 or otherwise in respect of such securities shall be received by the Public Trustee and paid into the Public Service Superannuation Fund Account.

25 (6.) In respect of his services under this Act the Public Trustee shall be entitled to receive from the fund such amount as may be agreed on between the Public Trustee and the Board, not exceeding a commission equal to two and a half per centum of all revenues received by the Public Trustee by way of interest on securities held by him in respect of the fund.

30 (7.) The Governor may from time to time by Order in Council make such regulations as he considers necessary for the purpose of giving effect to the provisions of this section.

35 21. No land-tax or income-tax shall be payable by the Public Trustee in respect of any securities or other property held by him on behalf of the fund or in respect of income derived from such securities or property.

Exemptions from land-tax and income-tax.

40 22. For the purpose of the audit of accounts all moneys belonging to the Public Service Superannuation Fund shall be deemed to be public moneys within the meaning of the Public Revenues Act, 1910, and the Audit Office shall have the same duties and powers in respect thereof, and of every person dealing therewith, as it has in respect of public moneys and accounts and all persons dealing therewith.

Audit of accounts.

45 23. The report of the Board under section forty-seven of the principal Act shall include a report as to the investment of the fund by the Board under this Act.

Report as to investment of fund.

24. Sections *seventeen* to *twenty-three* of this Act shall come into operation on the first day of January, nineteen hundred and sixteen.

Commencement.