

SUPERANNUATION AMENDMENT BILL

EXPLANATORY NOTE

This Bill makes various amendments to the Superannuation Act 1947.

Except as provided in *clause 4*, the Bill is to come into force on 1 January 1954.

Clause 2 relates to the power of the Government Superannuation Board to consent to a contributor including as part of his service a period of service or training performed or undergone by him before or after he became a contributor. At present that power is limited to service or training after the contributor attained the age of twenty years. The clause removes this limitation, so that if the Board thinks fit periods before the contributor attained that age may be included, as is already the case with regard to training as a holder of a scholarship or bursary or a student at a library school.

Clause 3 is to enable the Government Superannuation Fund account to be overdrawn by arrangement with the Reserve Bank, so as to permit the closer investment of money belonging to the Fund.

Clause 4 is to enable retiring allowances under £300 a year to be computed on the average salary for the last three years instead of the last five years where this will result in increasing the allowance. This section is to come into force from the commencement of the principal Act on 1 April 1948.

Clause 5 provides that where a contributor dies or retires before he has paid all the money payable by him to the Superannuation Fund, the Board may receive payment after his death or retirement, and if any part of the money remains unpaid the Board may proportionately reduce the period of contributory service for the purpose of computing a retiring allowance or annuity.

Clause 6 is to ensure that a widow's annuity is directly proportionate to the contributor's retiring allowance computed without regard to any election to take a variable allowance or to surrender part of the allowance to an approved dependant.

Clause 7 provides that a contributor may elect before he retires to continue as a contributor after his retirement for any period not exceeding three months or until he sooner dies or again becomes employed in the Government service. During this period he is to continue to pay the same contributions as he was paying on his retirement, and he is also to pay the Government subsidy on those contributions as certified by the Government Actuary. The amount of the subsidy is not to be counted as part of his contributions for the purposes of a refund, except with the consent of the Board.

Clause 8 enables retiring allowances and annuities and other money to be paid out of the Government Superannuation Fund and afterwards recouped to that Fund out of the Consolidated Fund. Any such payment is to be subject to the prior consent of the Minister of Finance.

Clause 9 provides for the payment of retiring allowances and annuities by monthly instalments in advance, and that no refund for part of a month will be required on the death of a beneficiary or when an annuity ceases on remarriage of the beneficiary. The clause also allows payments to be made to some person on behalf of a beneficiary where the Board so directs, or where, by reason of age or infirmity or for any other sufficient cause, it is not convenient for payment to be made to the beneficiary personally.

Clause 10 enables any money that is paid under the principal Act without lawful authority to be recovered as a debt due to the Crown.

Hon. Mr Fortune

SUPERANNUATION AMENDMENT

ANALYSIS

Title.	6. Computation of annuity payable to widow.
1. Short Title and commencement.	7. Election to continue contributory service after retirement.
2. Removal of restrictive age provision as to pre-entry training or service.	8. Payment of retiring allowances and other moneys out of Fund, and recoupment from Consolidated Fund.
3. Provision for overdraft.	9. Payment of retiring allowances and annuities monthly in advance.
4. Computation of retiring allowances under £300 on average salary for last three years of service.	10. Recovery of money paid without lawful authority.
5. Proportionate reduction in contributory service if full contributions not paid.	

A BILL INTITULED

AN ACT to amend the Superannuation Act 1947. Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority

5 of the same, as follows:

1. (1) This Act may be cited as the Superannuation Amendment Act 1953, and shall be read together with and deemed part of the Superannuation Act 1947 (hereinafter referred to as the principal Act). Short Title and commencement. 1947, No. 57

10 (2) Except as otherwise expressly provided, this Act shall come into force on the first day of January, nineteen hundred and fifty-four.

Removal of restrictive age provision as to pre-entry training or service.

1951, No. 65

Provision for overdraft.

1933, No. 11

Computation of retiring allowances under £300 on average salary for last three years of service.

Proportionate reduction in contributory service if full contributions not paid.

2. Section two of the principal Act is hereby amended by omitting from paragraph (c) of subsection two (as added by section two of the Superannuation Amendment Act 1951) the words "but after he attained the age of twenty years".

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3. Section twelve of the principal Act is hereby amended by adding the following subsection:

"(4) Subject to the provisions of paragraphs (d) and (i) of section fourteen of the Reserve Bank of New Zealand Act 1933, the Reserve Bank may grant to the Board, and the Board may receive from the Reserve Bank, accommodation by way of overdraft in aid of the Government Superannuation Fund Account, and that account may be overdrawn accordingly."

4. (1) Section thirty-three of the principal Act is hereby amended by adding to subsection one the following additional proviso:

"Provided also that where the annual amount of the retiring allowance computed under the foregoing provisions of this subsection does not exceed three hundred pounds, the retiring allowance shall be computed as if the words "three years" were substituted for the words "five years" wherever they occur in those provisions, if computation under this proviso would increase the retiring allowance."

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(2) This section shall be deemed to have come into force at the commencement of the principal Act.

5. The principal Act is hereby amended by inserting, after section thirty-three, the following section:

"33A. Where upon the death or retirement of any contributor it becomes necessary to compute a retiring allowance in the manner provided in section thirty-one of this Act, and the whole or any part of any sum fixed by the Board to be paid into the Fund as mentioned in section twenty-seven of this Act remains unpaid, the Board may permit the whole or any part of the sum remaining unpaid to be paid into the Fund and, if any part of that sum finally remains unpaid, the Board may direct a proportionate reduction to be made in the period of contributory service to be taken into account for the purposes of the computation of the retiring allowance."

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6. Section thirty-nine of the principal Act (as amended by section ten of the Superannuation Amendment Act 1948) is hereby further amended by omitting from subparagraph (i) of paragraph (a) of subsection 5 one the words "at the time of his death, or to which he would have been entitled if he had then retired on the ground of being medically unfit for further duty", and substituting the words "at the date of his retirement or, if he died before retirement, to which he would 10 have been entitled if he had retired on the date of his death on the ground of being medically unfit for further duty, disregarding in either case the effect of any election made under section thirty-five or section forty-two of this Act".

Computation of annuity payable to widow.
1948, No. 79

15 7. Part II of the principal Act is hereby amended by adding the following section:

Election to continue contributory service after retirement.

"58A. (1) Any contributor to the Fund may elect to continue to be a contributor after his retirement.

20 "(2) Every election under this section shall be made in writing delivered to the Secretary of the Board before the retirement of the contributor.

"(3) Every contributor who makes an election under this section shall continue to be a contributor to the Fund after his retirement—

25 "(a) Until the date on which he elects to cease to be a contributor, being not more than three months after the date of his retirement; or

"(b) Until the date on which he again becomes employed in the Government service; or

30 "(c) Until the date of his death,—
whichever date first occurs; and if the date specified in paragraph (a) of this subsection first occurs it shall be deemed to be the date of his retirement.

35 "(4) The period during which any person continues to be a contributor under this section shall be deemed for the purposes of this Act to be contributory service, and he shall be deemed to receive during that period the salary on the basis of which he was contributing immediately before his retirement.

40 "(5) In respect of his contributory service as aforesaid every contributor shall pay into the Fund within such time and in such manner as the Board may allow in that behalf—

45 (a) The contributions payable by him under this Act; and

(b) The amount by which those contributions are less than the amount certified by the Government Actuary as the total amount of contributions that would require to be so paid if the contributions provided the total cost of the benefits to which the contributor may become entitled under this Act. 5

“(6) Except with the consent of the Board, no part of the amount paid by any contributor under paragraph (b) of subsection *five* of this section shall be deemed to form part of his contributions to the Fund.” 10

Payment of retiring allowances and other moneys out of Fund, and recoupment from Consolidated Fund.

8. Section eighty-two of the principal Act is hereby amended by adding the following proviso:

“Provided that, with the prior approval of the Minister of Finance and subject to the terms of any such approval, any such money may be paid out of the Government Superannuation Fund, and recouped to that Fund out of the Consolidated Fund without further appropriation than this section.” 15

Payment of retiring allowances and annuities monthly in advance.

9. (1) The principal Act is hereby amended by inserting in Part VI, before section eighty-three, the following section: 20

“82A. (1) Every retiring allowance or annuity under this Act shall be paid in advance by monthly instalments, and no portion of any such monthly instalment shall be recoverable when the retiring allowance or annuity ceases to be payable. 25

“(2) Except as otherwise provided in this Act, every such instalment shall be payable to the person entitled to the retiring allowance or annuity (in this section referred to as the beneficiary) personally, unless the Board in its discretion directs that it shall be payable to some other person on behalf of the beneficiary: 30

“Provided that in any case where, by reason of the age or infirmity of the beneficiary or for any other sufficient cause, it is not convenient that payment be made to the beneficiary personally, payment may be made to any person duly authorized by the beneficiary to receive payment on his behalf.” 35

(2) This section is in substitution for sections thirty-four and eighty-one of this Act, and those sections are hereby accordingly repealed. 40

10. The principal Act is hereby amended by inserting, after section eighty-two A (as inserted by the *last preceding* section), the following section:

Recovery of money paid without lawful authority.

5 “82B. All payments received by any person under this Act without that person being lawfully entitled thereto may be recovered as a debt due to the Crown, and when so recovered shall be repaid into the Fund.”