

## SOCIAL SECURITY AMENDMENT BILL

### EXPLANATORY NOTE

THIS Bill amends the Social Security Act 1938.

*Clause 2:* Section 22 (2) (b) of the principal Act includes provisions for the payment of a widow's benefit to a married woman whose husband is detained in an institution under the Mental Health Act 1911, whether as a voluntary boarder or otherwise. The Mental Health Bill at present before the House replaces the provisions as to voluntary boarders and substitutes provisions relating to voluntary inpatients. This clause makes a consequential amendment to section 22 (2) (b) of the principal Act.

*Clause 3:* The effect of this clause is to increase the allowable income of an applicant for a widow's benefit who has children dependent on her and supported by her to the satisfaction of the Commission from £156 to £260 a year. In other cases, the allowable income remains at £156 a year.

*Clause 4: Subclause (1)* enables a family benefit to be paid in respect of a child who is absent from New Zealand for the purpose of furthering his education, provided both his parents or, as the case may be, his only parent remain in New Zealand.

*Subclause (2)* is a consequential amendment to section 65 of the principal Act.

*Clause 5:* The effect of this clause is to extend the operation of section 106A of the principal Act (which provides for the making of advances to beneficiaries and war pensioners for the repair or maintenance of their homes) to cases where the home is held on residence-site licence under the Mining Act 1926.

*Clause 6* extends the present special income exemption of £52 a year in respect of sick benefits from a friendly society (which at present applies only in the case of sickness benefits) to age benefits and invalids' benefits.

*Clause 7* provides a special exemption in cases where a beneficiary receives income from the letting or sale of his former home. In such a case, the Commission will have a discretion to set off against that income any rent payable by the beneficiary in respect of the tenancy of another home, any interest payable by him on unpaid purchase money owing by him in respect of the purchase of another home or on money advanced to him for the purchase of another home, or any money payable by him in respect of his board or lodging or maintenance, whether in a private home or in any public or private institution.

*Hon. Mr Shelton*

## SOCIAL SECURITY AMENDMENT

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### ANALYSIS

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### A BILL INTITULED

#### An Act to amend the Social Security Act 1938

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

1. **Short Title and commencement**—(1) This Act may be cited as the Social Security Amendment Act 1961, and shall be read together with and deemed part of the Social Security Act 1938\* (hereinafter referred to as the principal Act).

10 (2) Except where this Act otherwise provides, this Act shall come into force on the thirteenth day of September, nineteen hundred and sixty-one.

\*1957 Reprint, Vol. 14, p. 475  
Amendments: 1958, No. 46; 1959, No. 80; 1960, No. 13

**2. Benefit to married woman whose husband an inmate of a mental institution—**(1) Section 22 of the principal Act is hereby amended by omitting from paragraph (b) of subsection (2) (as substituted by subsection (1) of section 18 of the Finance Act (No. 2) 1948) the words “detained in an institution under that Act, whether as a voluntary boarder or otherwise”, and substituting the words “an inmate of an institution under that Act, whether as a voluntary inpatient or otherwise”. 5

(2) This section shall come into force on the first day of January, nineteen hundred and sixty-two. 10

**3. Deductions from rates of widows’ benefits—**(1) The principal Act is hereby further amended by repealing section 24, and substituting the following section:

“24. (1) The rate or, as the case may be, the maximum rate of a widow’s benefit as prescribed by section 23 hereof shall be reduced as follows: 15

“(a) In any case where the applicant has a child or children under sixteen years of age dependent upon her and supported by her to the satisfaction of the Commission, by one pound for every complete pound of the income of the applicant in excess of two hundred and sixty pounds a year: 20

“(b) In any other case, by one pound for every complete pound of the income of the applicant in excess of one hundred and fifty-six pounds a year. 25

“(2) For the purposes of this section, any income derived by the husband of an applicant to whom paragraph (b) of subsection (2) of section 22 hereof applies shall be taken into account as if it were income derived by the applicant.” 30

(2) The Second Schedule to the Social Security Amendment Act 1960 is hereby amended by repealing so much thereof as relates to section 24 of the principal Act.

**4. Effect of absence of beneficiary from New Zealand—**

(1) Section 70 of the principal Act is hereby amended by adding to subsection (1) the following paragraph: 35

“(c) In the case of a family benefit, by any period or periods a child in respect of whom the benefit is payable is absent from New Zealand for the purpose of furthering his education, provided the father and the mother or, as the case may be, the only parent of the child remain in New Zealand.” 40

(2) Section 65 of the principal Act is hereby amended by inserting in subsection (2), after the word “husband”, the words “or child”.

5. **Advances for repair or maintenance of home**—Section 106A of the principal Act (as inserted by subsection (1) of section 29 of the Social Security Amendment Act 1958) is hereby amended by inserting, after subsection (1), the following subsection:

5 following subsection:

“(1A) For the purposes of this section, the term ‘lease’ includes a resident-site licence under the Mining Act 1926; and the terms ‘lessee’ and ‘leasehold interest’ have corresponding meanings.”

10 **6. Beneficiary receiving sick benefit from friendly society**—

(1) Notwithstanding anything in the principal Act, where an applicant for an age benefit, an invalid’s benefit, or a sickness benefit, or the husband or the wife of any such applicant, is in receipt of a sick benefit from a friendly society or a like benefit from any other source, the Commission, in computing pursuant to Part II of that Act the rate of any such age benefit or invalid’s benefit or sickness benefit, shall take no account of any income up to, in the aggregate, fifty-two pounds a year in the case of an age benefit or an invalid’s benefit or one pound a week in the case of a sickness benefit, received by way of sick benefit from a friendly society or by way of like benefit from any other source.

25 (2) If any question arises as to whether any income received or receivable is of a like nature to a sick benefit payable by a friendly society, it shall be determined by the Commission.

(3) Section 46 of the principal Act is hereby consequentially amended by repealing the proviso to subsection (2), and substituting the following proviso:

30 “Provided that the rate of the benefit computed as afore-said shall be reduced by one shilling for every complete shilling of the total income of the applicant and his wife or her husband, as the case may be, in excess of sixty shillings a week.”

35 (4) The following enactments are hereby repealed:

- (a) Section 7 of the Social Security Amendment Act 1939;
- (b) So much of the Second Schedule to the Social Security Amendment Act 1960 as relates to section 46 of the principal Act.

40 (5) This section shall not apply to any sickness benefit in force at the date of the commencement of this Act, and any such benefit may be continued as if this section had not been passed.

- 7. Exemption of income from former home property—**  
Notwithstanding anything in the principal Act, where any person has let his home or sold it on terms providing for the payment of the purchase money or any part thereof by instalments or by which the purchase money or any part thereof is secured by mortgage thereon, the Commission may, in its discretion, in computing the income of that person for the purposes of Part II of that Act, set off against the rent or interest derived or received by him in respect of that letting or sale the whole or any part of—
- (a) Any rent payable by him in respect of the tenancy of another home: 5
  - (b) Any interest payable by him on unpaid purchase money owing by him in respect of the purchase of another home: 10
  - (c) Any interest payable by him on money advanced to him for the purchase of another home: 15
  - (d) Any money payable by him in respect of his board, lodging, or maintenance, whether in a private home or in any public or private institution. 20