

Mr Kirk

STAFF SUPERANNUATION

ANALYSIS

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A BILL INTITULED

An Act to provide for the constitution of a Board, to define its powers and functions, in matters related to staff superannuation schemes

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

1. **Short Title and commencement**—(1) This Act may be cited as the Staff Superannuation Act 1961.

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

2. Interpretation—In this Act, unless the context otherwise requires,—

“Board” means the Staff Superannuation Board established by this Act:

“Contributor” means any person, company, corporate body, association, society, or other organisation, who or which contributes on his or its behalf, or on behalf of others to any staff superannuation scheme as defined in this Act: 5

“Employee contributor” means any employee of any person, company, corporate body, association, society, or other organisation, who contributes to any staff superannuation scheme as defined in this Act: 10

“Member” means any member of the Staff Superannuation Board: 15

“Minister” means the Minister of Labour:

“Staff superannuation scheme” means any fund or scheme established at any time, whether before or after the commencement of this Act, for the purpose of providing superannuation or retiring allowances for all or any of the officers and or employees of any person, company, corporate body, association, society, or other organisation, and to which employers and employees contribute, but does not include any fund or scheme within the purview of the Superannuation Act 1956: 20 25

“Trust Deed” means the establishing and foundation deed, instrument, or document of any superannuation scheme as defined in this Act:

“Insuring company” means any company, association, society, or other organisation which issues life insurance or similar policy contracts in respect to contributors to staff superannuation schemes. 30

3. Establishment of Staff Superannuation Board—(1) There is hereby established a Board to be known as the Staff Superannuation Board. 35

(2) The Board shall consist of five members to be appointed by the Governor-General, on the recommendation of the Minister, of whom—

(a) One member shall be appointed on the nomination of the Minister, which member shall be Chairman of the Board: 40

(b) One member shall be appointed to represent insuring companies:

(c) One member shall be appointed to represent contributing employers:

5 (d) Two members shall be appointed to represent employee contributors.

(3) Every member of the Board shall be appointed for a term of three years and may from time to time be reappointed. Any member of the Board may at any time be removed from
10 office by the Governor-General for disability, insolvency, neglect of duty, or misconduct, or may at any time resign from office by writing addressed to the Minister.

4. Meetings of the Board—(1) Meetings of the Board shall be held at such times and places as the Chairman may from
15 time to time appoint.

(2) The Chairman shall preside at all meetings at which he is present.

(3) If at any meeting of the Board the Chairman is not present, the members present shall appoint one of their number
20 to be Chairman at that meeting.

(4) At any meeting of the Board the Chairman shall have a deliberative, and, in the case of an equality of votes, shall also have a casting vote.

(5) At any meeting of the Board three members shall form
25 a quorum.

(6) Subject to the provisions of this Act the Board may regulate its procedure in such manner as it may determine.

5. Representation of absent members—(1) The Minister may from time to time appoint any person to act for any
30 member of the Board at any meeting of the Board, in the event of absence of that member therefrom.

(2) While any person is attending any meeting pursuant to this section, that person shall be deemed for all purposes
35 so attends shall be evidence of that person's authority to do so.

6. Functions of the Board—(1) The Board shall have such functions and powers in relation to the execution and administration of this Act, and, shall have all other such powers, not inconsistent with this Act, as are reasonably necessary for the
40 effective performance of its functions.

(2) Without limiting the generality of the foregoing provisions, it is hereby declared that the functions of the Board shall include—

- (a) Safeguarding the interests, rights, and prerogatives of all parties and persons making regular monetary contributions to any fund or staff superannuation scheme subject to this Act:
- (b) Examination of the structure, scope, provisions, and operation of existing staff superannuation schemes for the purpose of preparing minimum requirements of such standard as will ensure the satisfactory operation of all schemes commencing operation after the commencement of this Act: 5
- (c) Examination of the Trust Deed, rules, and general provisions of every staff superannuation scheme proposed after the commencement of this Act, and granting official approval to such staff superannuation schemes as satisfy the provisions and purposes of this Act: 10
- (d) Investigation of such matters arising out of the operation of staff superannuation schemes as may be brought to the notice of the Board, and taking such action, consistent with the relevant Trust Deed, as may be deemed necessary to satisfy the provisions and purposes of this Act: 15
- (e) Review the administration and operation of such superannuation schemes as the Board may resolve, and, where necessary, enforce compliance with the terms of the Trust Deed: 25
- (f) Recommend to the Minister such measures as may, in the opinion of the Board, be necessary to improve and protect the interests of contributors to staff superannuation schemes. 30

7. Officers of Board—The Board may from time to time appoint such officers and servants as may be necessary for the efficient carrying out of its functions.

8. Levy to cover expenses of Board—For the purpose of providing for the expenses of the Board under this Act, the Board may make an annual levy on each staff superannuation scheme not exceeding in total the equivalent of two shillings per contributor. 35

9. Application of Act—This Act shall apply in respect to every staff superannuation scheme or fund the main purpose of which is to provide lump-sum or other retiring allowances for those of its contributors who are employees of any one or 40

more specified companies, person, corporate bodies, associations, societies, or other organisations, but shall not apply to any fund or superannuation scheme within the purview of the Superannuation Act 1956.

5 **10. Duplicate of Trust Deed to be deposited with Board—**
The trustees of every staff superannuation scheme shall deposit with the Board a duplicate of the Trust Deed of that staff superannuation scheme.

10 **11. Register of Trust Deeds—**The Board shall keep a register of Trust Deeds deposited under the provisions of this Act and shall, on application, make available for inspection by any contributor, or representative of any contributor to any staff superannuation scheme, the Trust Deed of that scheme.

15 **12. Schemes not to commence until approved by Board—**
No staff superannuation scheme shall commence to operate after the commencement of this Act unless the Board has notified in writing its approval of the Trust Deed of that staff superannuation scheme.

20 **13. Trust Deeds not to be amended without Board's sanction—**The Trust Deed of any staff superannuation scheme shall not be amended in any way until such time as the Board has sanctioned, in writing, such amendment.

25 **14. Commissioner of Taxes' approval to be effective from date of Board's approval of Trust Deed—**Any approval given by the Commissioner of Taxes under section 128 of the Land and Income Tax Act 1954 in respect of any staff superannuation scheme commencing operation after the commencement of this Act shall be conditional upon and effective from the
30 date of the Board's approval of the Trust Deed of that staff superannuation scheme.

15. Provision for transfer—The Board shall from time to time conduct, separately and jointly, negotiations with the various interests involved in operating staff superannuation
35 schemes with the object of extending the right of transfer between schemes, until eventually full and automatic transfer rights exist for employee contributors in all schemes.

16. Employee contributions to be returned—(1) The Board shall not approve the Trust Deed of any proposed staff superannuation scheme until that Trust Deed contains specific provision whereby an employee contributor who, for any reason, retires prematurely from a staff superannuation scheme, can have returned to him in one sum the whole of his contributions to that staff superannuation scheme. 5

(2) The Board may, having regard to the provisions of the Trust Deed of any proposed staff superannuation scheme, require provision to be made in that Trust Deed which will entitle employee contributors retiring prematurely for any reason, from that staff superannuation scheme and who elects cash settlement, to have, after stated periods of service, such amounts as the Board may determine added to the contributions returned as provided for in subsection (1) of this section. 10 15

17. Surrender values to be stated—(1) There shall be submitted to the Board with the Trust Deed of every proposed staff superannuation scheme a statement setting out the surrender values calculated in the stages applying to employee contributors retiring prematurely from that staff superannuation scheme. 20

(2) It shall be a condition of the Board's approval of any Trust Deed that each employee contributor to the proposed staff superannuation scheme shall be supplied with a table setting out the progressive surrender values provided. 25

18. Retiring age—The Board shall not approve any proposed scheme that provides for a retiring age higher than the average age at which employees commonly or normally retire from that occupation or class of occupation.

19. Provision where scheme is wound up—In the event of any staff superannuation scheme being wound up through insolvency, or voluntary liquidation of the employer, or for any other reason, all money paid to or in control of the trustees of the staff superannuation scheme, other than that invested in individual insurance policies or similar contracts being continued by employee contributors, and subject to the expense of winding up such staff superannuation scheme, shall be paid out to the employee contributors and superannuitants 30 35

of that staff superannuation scheme, the proportionate share of such moneys paid out to each person shall be determined by the provisions of the Trust Deed of such staff superannuation scheme.

- 5 **20. Contributions waived**—The Board may, having regard to the provisions of the Trust Deed of any proposed staff superannuation scheme, require provision in that Trust Deed whereby the contributions of an employee contributor incapacitated by illness or injury for not less than four consecutive weeks nor more than twenty-six weeks in any period of fifty-two weeks can be waived.
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- 15 **21. Matters not provided for**—The Board shall have power to take such action not inconsistent with the provisions of this Act to safeguard the interests of contributors to staff superannuation schemes.

22. Board to report annually—The Board shall submit annually to the Minister a report of its activities and a statement of its finances.