



ANALYSIS

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1992, No. 40

An Act to amend the Government Superannuation Fund Act 1956

[8 May 1992]

BE IT ENACTED by the Parliament of New Zealand as follows:

1. Short Title and commencement—(1) This Act may be cited as the Government Superannuation Fund Amendment Act 1992, and shall be read together with and deemed part of the Government Superannuation Fund Act 1956 (hereinafter referred to as the principal Act).

(2) This Act shall come into force on the day on which this Act receives the Royal assent.

2. Contributions by members—Section 83 (2) of the principal Act (as substituted by section 2 of the Government Superannuation Fund Amendment Act 1987) is hereby amended by omitting the figure “16” in both places where it appears, and substituting in each case the figure “20”.

3. Retiring allowance of members—(1) The principal Act is hereby amended by repealing section 84 (as substituted by section 2 of the Government Superannuation Fund

Amendment Act 1987 and amended by section 22 of the Government Superannuation Fund Amendment Act 1990), and substituting the following section:

“84. (1) Any person who—

“(a) Ceases to be a member on or after the commencement of the Government Superannuation Fund Amendment Act 1992; and

“(b) Has, at the time of so ceasing to be a member, served as a member for not less than 9 years (whether continuously or in 2 or more separate periods, and whether before or after the commencement of the Government Superannuation Fund Amendment Act 1992); and

“(c) Has attained the age of 50 years,—
shall be entitled to an annual retiring allowance until that person dies or again becomes a member.

“(2) An annual retiring allowance under this section shall commence to be payable to the person entitled to it on the day after the date on which that person ceases to be a member or on the day on which that person attains the age of 50 years, whichever day is the later.

“(3) The annual retiring allowance payable to a person under this section shall be the pension percentage of the salary payable to an ordinary member at the date on which the retiring allowance first becomes payable.

“(4) For the purposes of this section, ‘pension percentage’ means the percentage calculated in accordance with the following formula:

$$P \times (0.7 + (0.014 \times t))$$

“where—

“P is the sum of—

“(a) One-thirtieth part multiplied by the number of years of service as a member, not exceeding 20; and

“(b) One one-hundred-and-twentieth part multiplied by the number of years of service as a member in excess of 20:

“t is the number, if any, of years (including fractions of a year) not exceeding 9.5, by which the date which is the earlier of—

“(a) The date on which service as a member ceased;
or

“(b) The date on which a period of 20 years of service as a member was completed,—
precedes the 1st day of October 1999.”

(2) Section 22 of the Government Superannuation Fund Amendment Act 1990 is hereby consequentially repealed.

4. Special right of person who has not attained 50 years to elect to surrender proportion of retiring allowance and receive cash payment—Section 84^{AA} of the principal Act (as substituted by section 2 of the Government Superannuation Fund Amendment Act 1987) is hereby amended—

- (a) By omitting from subsection (1) (b) the figure “45”, and substituting the figure “50”; and
- (b) By omitting from subsection (1) (c) the figure “45”, and substituting the figure “50”; and
- (c) By omitting from subsection (2) (b) the figure “45”, and substituting the figure “50”.

5. Right to defer retiring allowance to age 55 years or 60 years in return for lump sum on retirement—(1) The principal Act is hereby amended by repealing section 84^B of the principal Act (as substituted by section 2 of the Government Superannuation Fund Amendment Act 1987 and amended by section 25 of the Government Superannuation Fund Amendment Act 1990), and substituting the following section:

“84^B. (1) Any person to whom section 84^{AA} of this Act applies may, in addition to or instead of exercising the right to surrender a proportion of that person’s annual retiring allowance, elect, before attaining the age of 50 years, to defer receiving an annual retiring allowance until that person attains the age of 55 years or 60 years and to receive an amount calculated according to the formula $C \times D$ where—

“C is that person’s annual retiring allowance calculated as if that person had been entitled to receive an annual retiring allowance under section 84 of this Act on the day after the date on which that person ceased to be a member, after allowing for the effect of any election under section 84^A or section 84^{AA} of this Act:

“D is 4.2 if deferral is to age 55 years or 8.4 if deferral is to age 60 years.

“(2) Every election under subsection (1) of this section—

“(a) Shall be made in writing; and

“(b) Shall be delivered to the Superintendent—

“(i) Within 3 months after the date on which the person ceases to be a member; and

“(ii) Before the person who made the election has accepted any portion of that person’s annual retiring allowance.

“(3) No person shall have the right to revoke or amend any election made under subsection (1) of this section or to make any further election after the person has accepted any payment under this section.

“(4) The amount of the annual retiring allowance payable to every person who has made an election under this section shall be calculated according to the formula set out in subsection (5) or subsection (6) of this section (as appropriate).

“(5) In any case where the person ceases to be a member on or after the 1st day of April 1990, the formula for the purposes of subsection (4) of this section is—

$$\frac{C}{1 + (0.02 \times n)}$$

“where—

“C is the annual retiring allowance that would have been payable—

“(a) Had that person not elected to defer the annual retiring allowance, but after allowing for the effect of any election under section 84A or section 84AA or section 84C of this Act; and

“(b) Had Part III of the Government Superannuation Fund Amendment Act 1990 not been enacted:

“n is the number, if any, of years (including fractions of a year) by which the date on which service as a member ceased precedes whichever is the earlier of—

“(a) The date to which the person elected to defer the annual retiring allowance; or

“(b) The 1st day of October 1999.

“(6) In any case where the person ceases to be a member before the 1st day of April 1990, the formula for the purposes of subsection (4) of this section is—

$$C \times (0.7 + (0.014 \times t))$$

“where—

“C is the annual retiring allowance that would have been payable—

“(a) Had that person not elected to defer the annual retiring allowance, but after allowing for the effect of any election under section 84A or section 84AA or section 84C of this Act; and

“(b) Had neither Part I nor Part III of the Government Superannuation Fund Amendment Act 1990 been enacted:

“t is the number, if any, of years (including fractions of a year) by which the date to which the person elected to defer the annual retiring allowance precedes the 1st day of October 1999.”

(2) Section 25 of the Government Superannuation Fund Amendment Act 1990 is hereby consequentially repealed.

6. Benefits where member dies and leaves spouse—Section 86A (1) of the principal Act (as substituted by section 2 of the Government Superannuation Fund Amendment Act 1987) is hereby amended—

- (a) By omitting from paragraph (b) (ii) the figure “45”, and substituting the figure “50”; and
- (b) By omitting from paragraph (c) (i) the figure “45”, and substituting the figure “50”.

7. Benefits where retired member dies before becoming entitled to retiring allowance and leaves spouse—Section 86B of the principal Act (as substituted by section 2 of the Government Superannuation Fund Amendment Act 1987) is hereby amended—

- (a) By omitting from subsection (1) the figure “45”, and substituting the figure “50”; and
- (b) By omitting from subsection (2) the figure “45” in both places where it appears, and substituting in each case the figure “50”.

8. Benefit where member or retired member dies without leaving spouse—Section 86D of the principal Act (as substituted by section 2 of the Government Superannuation Fund Amendment Act 1987) is hereby amended by omitting from subsection (1) (b) (ii) the figure “45”, and substituting the figure “50”.

9. Children’s allowance—Section 86E of the principal Act (as substituted by section 2 of the Government Superannuation Fund Amendment Act 1987) is hereby amended by omitting

from subsection (1) (b) (ii) the figure “45”, and substituting the figure “50”.

10. Exclusion of provision for annual adjustment—The principal Act is hereby amended by repealing section 87 (as substituted by section 2 of the Government Superannuation Fund Amendment Act 1987).

11. Adjustments—(1) The Second Schedule to the Government Superannuation Fund Amendment Act 1969 (as substituted by section 33 (5) of the Government Superannuation Fund Amendment Act 1986) is hereby amended by inserting, after paragraph (b) of clause 3, the following paragraph:

“(ba) The annual retiring allowance, annual allowance, or annuity is payable under Part VI of the principal Act as a result of a person ceasing to be a member after the 30th day of June 1992; or”.

(2) The Third Schedule to the Government Superannuation Fund Amendment Act 1969 (as substituted by section 2 of the Government Superannuation Fund Amendment Act 1988) is hereby amended by inserting, after clause 1A, the following clause:

“1B. An annual retiring allowance payable under Part VI of the principal Act as a result of a person ceasing to be a member after the commencement of the Government Superannuation Fund Amendment Act 1992.

The day immediately preceding the date on which the first instalment of the annual retiring allowance is payable.”

(3) The Third Schedule to the Government Superannuation Fund Amendment Act 1969 (as so substituted) is hereby further amended by inserting, after clause 2A, the following clause:

<p>“2B. An annuity payable under Part VI of the principal Act as a result of a person ceasing to be a member after the commencement of the Government Superannuation Fund Amendment Act 1992.</p>	<p>The day immediately preceding the date on which the first instalment of the annuity is payable.”</p>
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12. Saving—Nothing in this Act shall apply in relation to any person who has ceased to be a member of the House of Representatives before the commencement of this Act, and, where any annual retiring allowance or annuity or refund is payable, or would become payable if an appropriate election were made, under Part VI of the principal Act as a result of a person ceasing to be a member of the House of Representatives before the commencement of this Act, nothing in this Act shall affect that annual retiring allowance or annuity or refund and the principal Act shall apply to that annual retiring allowance or annuity or refund as if this Act had not been passed.

This Act is administered in the Government Superannuation Fund Department.
