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Hon. Sir J. G. Ward.

CIVIL SERVICE SUPERANNUATION.

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A BILL INTITULED

AN ACT to provide a Superannuation Fund for Civil Servants.

Title.

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

1. The Short Title of this Act is "The Civil Service Superannuation Act, 1905"; and it shall come into operation on the first day of January, one thousand nine hundred and six.

Short Title.

2. In this Act, if not inconsistent with the context,—
10 "Board" means the Civil Service Superannuation Board established under this Act:

Interpretation.

- “ Civil Service ” includes every Department of the Government service except the Government Railways Department :
- “ Contributor ” means a contributor to the fund :
- “ Department ” means every branch of the Civil Service which is administered separately : 5
- “ Fund ” means the Civil Service Superannuation Fund :
- “ Service ” means continuous employment from the date of last appointment to the Civil Service.
- “ Medically unfit for further duty ” means that on the certificate of at least two medical practitioners approved by the Board it is established to the satisfaction of the Board that, by reason of mental or bodily infirmity not caused by irregular or intemperate habits, the contributor has become permanently unable to perform his duties any longer : 10
- “ Minister ” means the Minister in charge of any Department :
- “ Pay ” of a contributor means the rate of salary or wages paid in respect of his service, but does not include allowances or payment for overtime. 15 20

Civil Service Superannuation Fund.

Fund established.

3. There is hereby established in connection with the Civil Service a fund to be called “ The Civil Service Superannuation Fund,” which shall be administered by the Board. 25

Moneys forming fund.

4. The fund shall consist of—

- (a.) The contributions from members as hereinafter provided ;
- (b.) All moneys already accrued from fines imposed for breaches of any regulations made under any Act relating to the Civil Service, and all fines and penalties hereafter imposed for breaches of the said regulations ; 30
- (c.) Moneys at any time paid into the fund under section twenty-eight hereof ; and
- (d.) Interest from time to time accruing from investment of the fund, as hereinafter provided. 35

Persons employed before commencement of Act may elect to contribute.

5. (1.) Every person who at the commencement of this Act is permanently employed in any capacity in the Civil Service, and every person who at the commencement of this Act is employed in any Department, and has been continuously employed in any one or more Departments for a period of five years or upwards may, at any time within six months after the commencement of this Act, elect to become a contributor to the fund. 40

(2.) If he so elects he shall be entitled to all the benefits of the fund, subject to the provisions of this Act, and no further deduction shall be made from his salary under "The Civil Service Reform Act, 1886," "The Post and Telegraph Classification and Regulation Act, 1890," or "The Civil Service Insurance Act, 1893."

(3.) If he does not so elect, he shall not at any future time become a contributor to the fund or participate in its benefits, but he shall continue to be entitled to any rights to which but for the passing of this Act he would have been entitled.

(4.) Every person who does not elect to become a contributor and who has hitherto had a deduction made from his salary under "The Civil Service Reform Act, 1886," "The Post and Telegraph Classification and Regulation Act, 1890," or "The Civil Service Insurance Act, 1893," shall continue to pay such deduction as heretofore.

6. With respect to persons who are first permanently employed in any capacity in the Civil Service after the commencement of this Act, it shall be a condition of their employment that they shall become contributors to the fund, and the provisions of "The Post and Telegraph Classification and Regulation Act, 1890," relating to deductions from salaries, and "The Civil Service Insurance Act, 1893," shall not apply to such contributors.

After commencement of Act contribution to fund a condition of employment.

7. (1.) The contribution from members shall in each case be at the following percentage of the pay of each member respectively, and shall be deducted from the member's pay as it becomes payable that is to say:—

Members' contributions.

(a.) As to persons who are members employed at the commencement of this Act,—

(i.) If his age is not more than forty years at the time when the first contribution becomes payable, five per centum;

(ii.) If his age then exceeds forty years but does not exceed forty-five years, six per centum;

(iii.) If his age then exceeds forty-five years but does not exceed fifty years, seven per centum; and

(iv.) If his age then exceeds fifty years, ten per centum.

(b.) As to persons who are appointed after the commencement of this Act, five per centum.

(2.) The amount so deducted shall forthwith be paid by the Colonial Treasurer to the Public Trustee to the credit of an account in the name of the fund.

To be paid to Public Trustee.

8. Fines which, pursuant to any Act or regulations, would but for the passing of this Act be payable to any other fund shall hereafter be paid into the Civil Service Superannuation Fund.

Fines to be paid into fund.

9. (1.) Moneys already deducted under "The Civil Service Reform Act, 1886," or "The Post and Telegraph Classification and Regulation Act, 1890," from the salary of any person who elects to become a contributor and remaining in the hands of the Public Trustee to the credit of such contributor shall be invested independ-

Moneys already deducted from salaries not part of fund.

ently of this fund for the benefit of such contributor, and be dealt with as hereinafter provided.

(2.) Every person who so elects to be a contributor shall on his retirement be entitled to receive, in addition to other benefits, the whole of the amount standing to his credit under the *last preceding* subsection. 5

Option as to
Insurance policies.

10. Every person who has effected a policy on his life under "The Civil Service Insurance Act, 1893," and who elects to become a contributor shall be entitled at his option either to—

(a.) Keep the policy alive independently of this Act; or 10

(b.) Have the surrender value of the policy paid to the Public Trustee to his credit, to be invested independently of this fund for his benefit; or

(c.) Receive a paid-up policy for an amount according to scale fixed by regulation, but subject to the same terms and conditions as the original policy. 15

Investment of fund.

11. The Public Trustee shall from time to time invest the fund, or any part thereof, in such lawful securities as will return the highest rate of interest.

Civil Service
Superannuation
Board.

12. The fund shall be administered by a Board called the Civil Service Superannuation Board, consisting of nine members, namely— 20
A Minister of the Crown ;

The Solicitor-General ;

The Secretary of the Post and Telegraph Department ;

The Under-Secretary, Colonial Secretary's Department ; 25

Two persons to be elected by members of the Post and Telegraph Department from among their number ; and

Three persons to be similarly elected by all other Departments of the Civil Service.

Elective members.

13. (1.) With respect to the elective members of the Board the following provisions shall apply :— 30

(a.) A separate ballot of the Post and Telegraph Department and of the other Departments shall be taken on the first Monday in March one thousand nine hundred and *six*, and on the same Monday in every third year thereafter. 35

(b.) The ballot shall be taken in manner prescribed by regulations ; and if any question arises as to the regularity or validity of any ballot, or the voting thereat, such question shall be determined by the Colonial Secretary, whose decision shall be final. 40

(c.) If any such member of the Board dies, or by notice in writing addressed to the permanent head of the Colonial Secretary's Department resigns his office, or ceases to be a member of the Civil Service, then and in any such case his seat shall become vacant. 45

(d.) Such vacancy shall be filled by election by the members of the Department or Departments represented by the vacating member ; but the person so elected shall hold office only for the residue of the period during which his predecessor would have held the same if he had remained a member of the Board : 50

Provided that where such vacancy arises within three months of the ordinary election a ballot shall not

be taken, but in lieu thereof the Governor may appoint to such vacancy.

(2.) Notice of the election or appointment of every elective member of the Board shall be gazetted.

5 14. With respect to the procedure of the Board the following provisions shall apply :— Procedure of the Board.

(a.) The Minister shall be Chairman at all meetings at which he is present, and in his absence some other *ex officio* member shall act as chairman.

10 (b.) Three members of the Board shall form a quorum.

(c.) Subject to the provisions of this Act and the regulations made thereunder, the Board may regulate its own proceedings.

Benefits of the Fund.

15 15. The fund shall be held and applied for the benefit of the contributors in the manner and subject to the conditions hereinafter set forth : Application of fund.

Provided that no payment shall be made out of the fund before the first day of December, one thousand nine hundred and *six*.

20 16. (1.) Every male contributor whose length of service is not less than forty years, or whose age is not less than sixty years, may at any time retire from the Civil Service at the expiration of three months' notice of his intention so to do, and shall thereupon be entitled to receive from the fund an annual retiring-allowance for Retiring-allowance.

25 the rest of his life computed as follows :—

For every year of service he shall receive one-sixtieth part of his annual rate of pay, but in no case shall the retiring-allowance exceed two-thirds of such annual rate of pay :

30 Provided that the Board may, with the consent of the Minister in charge of the Department in which any contributor is employed, extend the provisions of this subsection to any case where the contributor's service is not less than thirty-five years but does not amount to forty years.

35 (2.) Every female contributor whose length of service is not less than thirty years, or whose age is not less than fifty years, may in like manner retire, and shall thereupon be entitled to receive from the fund an annual retiring-allowance for the rest of her life computed as follows :—

40 For every year of service she shall receive one-sixtieth part of her annual rate of pay, but in no case shall the retiring-allowance exceed two-thirds of such annual rate of pay.

45 17. Every contributor who, with the consent or by the direction of the Minister, retires from the Civil Service on the ground of being medically unfit for further duty shall on his retirement be entitled to receive from the fund a retiring-allowance for the rest of his life computed as mentioned in the *last preceding* section, but not exceeding the maximum amount therein limited. Contributors medically unfit for duty to participate.

18. (1.) If any contributor voluntarily retires from the Civil Service before becoming entitled to a retiring-allowance under this Contributor voluntarily retiring or dismissed.

Act, or if his services are dispensed with from any cause other than misconduct, he shall be entitled to a refund of the whole amount actually contributed by him to the fund, but without interest, together with compensation (if any) accrued under section twelve of "The Civil Service Act, 1866," or the amount standing to his credit (if any) under section *nine* hereof. 5

(2.) If any contributor is dismissed or his services are dispensed with for misconduct he shall be entitled to a refund of the whole amount actually contributed by him to the fund, but without interest. 10

(3.) If a contributor to whom the provisions of "The Civil Service Reform Act, 1886," "The Post and Telegraph Classification and Regulation Act, 1890," or "The Civil Service Insurance Act, 1893," apply is dismissed, or his services are dispensed with, he shall be entitled to a refund of the whole amount actually contributed by him to the fund, but without interest, together with the amount (if any) standing to his credit under section *nine* hereof, or to the amount of his policy-moneys, as the case may be : 15

Provided that if he is dismissed for the commission of a crime, and a defalcation exists, he shall only be entitled to a refund of the balance (if any) remaining after the defalcations have been made good. 20

Death of contributor before retirement.

19. (1.) If any contributor dies before becoming entitled to a retiring-allowance, there shall be paid to his legal personal representatives the whole amount actually contributed by him to the fund, but without interest, together with the amount standing to his credit (if any) under section *nine* hereof : 25

Provided that if such contributor dies leaving a wife or children him surviving, then (in lieu of such payment to his legal personal representatives) there shall be paid to or for the benefit of his widow, during her widowhood, the annual sum of eighteen pounds, and irrespective thereof there shall be paid to or for the benefit of his children (if any) the sum of five shillings per week in the case of each child until the child attains the age of fourteen years. 30

(2.) In lieu of the foregoing allowance the widow may, if she so elects, be paid in a lump sum, such portion of the amount of contributions actually paid by the contributor to the fund as the Board, having regard to the rights of the children, if any, thinks fit. 35

(3.) The annual payment to or for the benefit of the widow or children shall be made in such manner, to such person, and by such instalments during the year as the Board thinks fit, but in no case shall payments be at longer intervals than four weeks. 40

(4.) The provisions of this clause shall, *mutatis mutandis*, apply in the case of a female contributor who dies leaving a husband or children her surviving. 45

Contributions while pay stopped for ill health.

20. If at any time the pay of a contributor is temporarily stopped by the Department on the ground of ill health, he shall be permitted to continue to contribute to the fund in such manner as may be prescribed by regulations ; but his rights to the benefits provided by this Act shall not be affected by such stoppage, notwithstanding that he does not contribute to the fund during the period of such stoppage. 50

21. (1.) In every case where, under this Act, any retiring-allowance or other money granted to a member on his retirement is computed on the basis of his pay, such pay shall be deemed to be the rate of pay he is receiving at the time of his retirement, unless within the previous five years he has served in any grade lower than that held by him at the time of his retirement, in which case such pay shall be deemed to be the average rate of pay received by him during the seven years next preceding his retirement.

Computation of allowances.

(2.) Where a contributor's pay is temporarily reduced, or where through age or infirmity he is transferred to a subordinate position to that which he previously occupied, his retiring-allowance shall be computed on the maximum rate of pay he received before such reduction or transfer.

Miscellaneous.

22. The rights of all contributors, whether absolute or contingent, shall, as regards claims for compensation for loss of office or otherwise in respect thereof, be and the same are hereby preserved up to the time of the coming into operation of this Act, from which date such rights shall cease to further accrue; and the compensation for loss of office shall be calculated only on the basis of their employment in the Civil Service up to the time of the coming into operation of this Act.

Existing rights of contributors.

23. The retiring-allowance shall be paid by equal monthly instalments, the first instalment being payable one month after the date of the grantee's retirement.

Retiring-allowance to be paid monthly.

24. (1.) The grantee may, on his retirement, or at any time before receiving his first instalment, elect to accept a sum equal to the total amount of his contributions to the fund, together with the compensation (if any) to which he is entitled under section twelve of "The Civil Service Act, 1866," or the amount (if any) standing to his credit under section *nine* of this Act, as the case may be, in lieu of his retiring-allowance, in which case he shall be entitled to receive such sum in lieu of an allowance.

Grantee may elect to receive refund of contributions.

(2.) If, not having so elected, he dies before the total amount paid to him in respect of retiring-allowance is equal to the total amount of his contributions to the fund together with the compensation (if any) to which he is entitled under section twelve of "The Civil Service Act, 1866," or the amount (if any) standing to his credit under section *nine* of this Act, as the case may be, the Board shall apply for the benefit of his widow and children or legal representatives the difference between the aforesaid amounts.

25. (1.) In the case of a retiring-allowance being granted to a male contributor before he has completed forty years' service, or before he has attained the age of sixty years, or to a female contributor before she has completed thirty years service or has attained the age of fifty years, on the ground of such contributor being medically unfit for further duty, his retiring-allowance, or any one or more instalments thereof, may be forfeited by the Board if he fails to submit himself for further medical examination when required by the Board, or if, being reported medically fit to return

Contributor becoming medically fit to return to duty.

to duty, he fails to do so when required by the Minister in charge of the Department from which he retired.

(2.) Where by the direction or with the consent of the Minister in charge of the Department a contributor returns to duty while in receipt of a retiring-allowance, his allowance shall cease, and all his rights and liabilities under this Act as a contributor shall revive. 5

Retiring allowance not alienable.

26. In no case shall any retiring-allowance or other money granted under this Act be in any way assigned, transferred, or be capable of being alienated from the grantee either by his own act or by operation of law. 10

Provision where payment made under "Workers' Compensation for Accidents Act, 1900."

27. Where any payment is made under "The Workers' Compensation for Accidents Act, 1900," in respect of an accident to a contributor the following provisions shall apply:—

(a.) Where death results from the accident, the benefits that would accrue under this Act in respect of that contributor shall absolutely cease and determine, but his legal representatives shall be entitled to a refund of the whole amount actually contributed by him to the fund, but without interest; and 15

(b.) Where total or partial disability results from the accident, so that the contributor becomes medically unfit for further duty, he shall not be entitled to any allowance under this Act during the period to which the payment relates, except so far as the payment is less than such allowance. 20

Government guarantee of any deficiency in fund.

28. In the event of the fund at any time being unable to meet the charges upon it, and as often as such event occurs, the following provisions shall apply:— 25

(a.) The Board shall forthwith report the fact to the Colonial Treasurer, setting forth the amount of deficiency and the causes thereof. 30

(b.) The Colonial Treasurer, upon being satisfied that the deficiency exists, and that provision is necessary therefor, shall, without further appropriation than this Act, pay into the fund out of the Consolidated Fund a sum sufficient to meet the deficiency. 35

(c.) The Board's report, together with a statement by the Colonial Treasurer of his action thereon, shall, within ten days after the receipt of the report, be laid before Parliament if sitting, or, if not, then within ten days after the commencement of the next ensuing session. 40

Board to keep accounts.

29. (1.) The Board shall keep full and correct accounts of all moneys received and expended, and of all credits and liabilities, and shall within twenty-eight days after the thirty-first day of March in every year cause to be prepared a balance-sheet for the year, together with a statement of receipts and expenditure for the year. 45

Balance-sheet.

(2.) Such balance-sheet and statement of accounts, after being audited by the Audit Office, shall, within ten days after the completion of the audit, be forwarded by the Board to the Colonial Secretary, who shall, within ten days after the commencement of the next ensuing session, lay the same before Parliament, and a copy thereof shall be sent to each contributor. 50

30. The rights and benefits provided for by this Act shall be subject to all such modifications as may be provided by any Act hereafter passed in amendment or repeal of this Act :

Scheme may be modified.

5 Provided that nothing in this section shall affect any payments actually made to, or any rights acquired by, any contributor or other person under this Act prior to the passing of such amending or repealing Act.

10 31. The Governor may from time to time, by Order in Council gazetted, make such regulations as he thinks necessary for any of the following purposes :—

Regulations as to superannuation.

- (a.) Prescribing the manner in which elections shall be conducted, and the facilities to be given to members of the Civil Service for voting thereat, and to the elected members of the Board for attending meetings thereof ;
- 15 (b.) Prescribing the powers, functions, and procedure of the Board with respect to the fund ; and
- (c.) Generally prescribing whatever else he thinks necessary in order to give full effect to this Act.

20 32. Any contributor to the Police Provident Fund, the Government Railways Superannuation Fund, or the Civil Service Superannuation Fund who is, after the passing of this Act, transferred from one branch of the Government service to another shall continue as a contributor to the fund he originally joined ; and in such case he shall be entitled to receive the benefits accruing thereunder, notwithstanding the fact of such transfer.

Transfers from one branch of Government service to another.

25 33. The provisions of this Act shall not apply to persons entitled to superannuation under "The Civil Service Act, 1866," or any Act thereby repealed.

Act not to apply to persons entitled to pensions.

Special Provision as to the Police Force.

30 34. (1.) On a day to be fixed by the Minister of Justice, being not later than twelve months from the commencement of this Act, a ballot shall be taken of the contributors to the Police Provident Fund on the proposal that such contributors shall become contributors to the fund established under this Act in lieu of to the first-mentioned

Provisions for Police Force coming under this Act.

35 fund.

(2.) The ballot shall be taken in such manner as the said Minister directs.

(3.) If the result of the ballot is that a majority of the votes recorded thereat are in favour of the proposal, then, as from a date to be fixed by the Governor by notice in the *Gazette*, the following provisions shall apply :—

- (a.) The Police Provident Fund shall be abolished, and the amount then standing to its credit shall be paid by the Public Trustee into the fund established under this Act.
- 45 (b.) All contributors to the Police Provident Fund shall be deemed to be contributors to the fund established under this Act, and shall thereafter contribute thereto at the rate prescribed by this Act for the age of each such contributor at the date when his first contribution became payable under "The Police Provident Fund Act, 1899."

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- (c.) All retiring and other allowances then payable under the last-mentioned Act shall from time to time be payable out of the Civil Service Superannuation Fund.
- (d.) All persons thereafter appointed to the Police Force shall become contributors to the Civil Service Superannuation Fund. 5
- (e.) The Commissioner of Police for the time being and one person to be elected by the members of the Police Force from among their number shall be added to the Civil Service Superannuation Board. 10
- (4.) If the result of the ballot is that a majority of the votes recorded thereat are against the proposal, then the provisions of this Act shall not apply to members of the Police Force.

Special Provision for Employees of the Wellington and Manawatu Railway Company. 15

Provisions of Government Railways Superannuation Fund Act may be applied to employees of Wellington and Manawatu Railway Company.

35. (1.) The Minister for Railways may at any time, by notice in the *Gazette*, declare that the provisions of "The Government Railways Superannuation Fund Act, 1902" (hereinafter referred to as "the said Act"), shall extend and apply to persons employed by the Wellington and Manawatu Railway Company (Limited); and, subject to the provisions of this section, such provisions shall be extended and apply accordingly as from a date to be fixed by the Minister in such notice. 20

(2.) Every person who at the date so fixed is permanently employed in any capacity by the said company may at any time within six months after that date elect to become a contributor to the fund, and if he so elects he shall, subject to the provisions of the said Act and of this section, be entitled to all the benefits of the fund in the same manner as if he had then first entered the service of the Government Railways Department: 25 30

Provided that any such person may, if he so desires, pay into the fund, either in one sum or in such payments as may be prescribed by regulations, the amount of contributions that would have been payable by him had he become a contributor on the first day of January, one thousand nine hundred and three (the date when the said Act came into operation), and in such case the benefits to which he is entitled shall be computed as from such last-mentioned date. 35

(3.) With respect to persons who after the date fixed by the Minister as aforesaid are first permanently employed in any capacity by the said company, it shall be a condition of their employment that they shall be contributors to the fund and be entitled to its benefits: 40

Provided that before entering the company's service he shall be required to pass the medical examination prescribed by the Government Railways Department in respect to persons who are entering the Government Railways Service, and such examination shall be made by the Government Railway Medical Officer at the expense of the company. 45

(4.) The said company shall pay into the fund by way of subsidy such annual sum as may be agreed on between the said Minister and the company. 50

(5.) The said company shall from time to time when requested by the Minister furnish him with such information respecting the names of persons in its employ, their age, length of service, and otherwise as he may require.

5 (6.) The Governor may from time to time, by Order in Council gazetted, make such regulations as may be necessary for the carrying-out of this section.