

Hon. Mr. Mitchelson.

GOVERNMENT RAILWAY EMPLOYÉS' INSURANCE.

ANALYSIS.

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A BILL INTITULED

AN ACT to establish a Railway Employés' Insurance Fund.

Title.

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

5 1. The Short Title of this Act is "The Government Railway Employés' Insurance Act, 1889." Short Title.

"Board" means the Board appointed to administer this Act: Interpretation.

10 "Railway employé" means any person employed in the service of the Colony of New Zealand upon the Government railways open for traffic, having been duly and properly engaged or appointed to such service:

15 "Permanent employé" means any railway employé who may have been duly appointed, and who has subscribed to the terms and conditions of the Government railway service in such manner and form as may be required by any proper authority, whether such railway employé be paid at a daily, weekly, monthly, or annual rate of pay, or for piecework or contract based on a daily rate of pay:

20 "Casual employé" means any railway employé who may have been engaged or taken on for emergency-work, or for special job or contract, or temporarily engaged, by any duly-authorized officer of the Government railways open for traffic, or as an apprentice, or on probation, whether such employé be paid at an hourly, daily, weekly, monthly, or annual rate of pay, or for piecework or contract.

25 2. No person shall be hereafter appointed a permanent employé, except persons at present in the service of the said colony, upon the Government railways open for traffic without having first obtained a medical certificate, in prescribed form, from a properly-qualified

Qualification for permanent employé.

- medical practitioner nominated by the Board, that such person is physically and mentally healthy and of sound constitution, nor without furnishing a certificate of good moral character. All persons who may be employed on the New Zealand Government Railways open for traffic at the date of the coming into operation of this Act, and who have been employed thereon in the service of the colony continuously for not less than *three* years previously, shall, for the purposes of this Act, be deemed to be permanent employés, and the whole of the time of their service on the Government railways shall be counted in computing any allowances or pensions under this Act: Provided that any persons who, according to the provisions of section seventy-six of "The Government Railways Act, 1887," are entitled to compensation for loss of office, shall, for the purposes of this Act, count their service only from the date of the commencement of "The Government Railways Act, 1887."
3. No person shall be hereafter appointed a permanent employé, except persons at present in the service of the said colony, upon the Government railways whose age exceeds twenty-one years, unless such person shall first pay such a premium to the Board as may be determined by the Government Actuary. Such premium to be paid into the insurance fund hereinafter prescribed.
4. There shall be established a trust fund, to be called "The Insurance Fund."
5. The purposes to which such fund shall be applied shall be for the benefit of permanent employés in the following respects:—
- (a.) The payment at death to permanent employés' representatives of a sum not exceeding one year's pay of such employé;
  - (b.) The payment of allowance to permanent employés retired from service;
  - (c.) The payment of insurance premiums as hereinafter provided.
6. The insurance fund shall be made up—
- (1.) By all fines and penalties levied upon railway employés accrued at the date at which this Act comes into operation and levied thereafter;
  - (2.) By sums to be contributed as follows:—
    - (a.) During the service of each permanent employé, for each such employé the rate of whose pay does not exceed seven shillings per working-day, the sum of two shillings per week shall be paid into the insurance fund; and for each permanent employé whose rate of pay exceeds seven shillings per working-day, for each shilling or part of a shilling per working-day, the sum of fourpence per week shall be placed into the insurance fund; and all such sums shall be paid into the insurance fund four-weekly, as nearly as may be, during each year from the sums from time to time appropriated by Parliament for working the Government railways, and such payments shall form part of the expenses of working such railways;
    - (b.) Any other sums, if any, which Parliament may see fit to appropriate to such purpose;
    - (c.) Premiums, if any, paid in pursuance of section *three* preceding;

Computation of service.

Premium to be paid by permanent employés over twenty-one years of age.

Insurance fund established.

Purposes of insurance fund.

Contributions to insurance fund.

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(d.) The proceeds of any insurance effected by the Board.

7. Any permanent employé who may quit or resign the Government railway service without permission from the proper authorities, or who shall be dismissed for drunkenness on duty, or in consequence of any criminal offence, or of fraud, or of dishonesty, or of gross insubordination or misconduct, shall not be entitled to any benefits under this Act. Employés quitting service for misconduct, &c., not entitled to benefits.

8. Any permanent employé who may be discharged from service in consequence of permanent incapacity from accident or ill health or old age, shall be entitled to allowance as follows:— Benefits to employés discharged.

(1.) If he has served as a permanent employé for under twenty years, or if he has not attained the age of sixty-five years, then he shall be paid retiring-allowance during his lifetime at the rate of one-quarter of the pay he was entitled to receive at the date of his retirement:

(2.) If he has served for twenty years, and his age is not less than sixty-five years, he shall be paid retiring-allowance during his lifetime at the rate of one-third of the pay he was entitled to receive at the date of his retirement.

9. When any permanent employé dies in the Government railway service, or during sickness or superannuation, there shall be paid to his legal representatives as follows:— Life insurance benefits.

A sum equal to one month's pay for each year of service: Provided that such sum shall not exceed twelve months' pay at the rate which such permanent employé may be entitled at the time of his decease, or if he is superannuated, then at the rate to which he may have been entitled at the time such superannuation began.

10. There shall be a Board of five persons appointed by the Governor to administer this Act, to consist of the Public Trustee, the Secretary to the Treasury, and three permanent employés. Three of these persons shall form a quorum. Appointment of Board to administer Act.

11. The duties of the Board shall be— Duties of Board.

(1.) To invest the funds of the Trust in the manner prescribed;

(2.) To authorise and pay all expenses, allowances, and sums authorised by this Act and necessary for its administration;

(3.) To make regulations prescribing the appointment of medical examiners, the payment of fees thereto, the conditions to be observed and certificates to be given, the manner and times in which such examinations shall be conducted, the form and routine to be complied with before employés shall be entitled to receive allowances, and the form of receipt to be given on payment of such allowances, and generally on all matters connected with the administration of this Act which the Board may deem necessary.

12. When any casual employé is appointed to be a permanent employé, the time which he has served as a casual employé shall be counted in computing retiring allowance thereafter. Casual service to be counted.

13. No permanent employé shall be paid any allowance while he is in receipt of any pay from the Government railways or from the Government of the colony. No allowance while paid from other sources.

Cost of administration, how defrayed.

14. Any expenses attending upon the administration of this Act, and all allowances and payments prescribed by this Act, shall be defrayed from the insurance fund.

Investment of insurance fund.

15. The insurance fund, or so much of it as may be convenient, shall be invested in colonial securities or debentures, or upon mortgage of freehold estate to an extent not exceeding two-thirds of the property-tax valuation.

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Repeal.

16. Subsection ten of section sixty-three of "The Government Railways Act, 1887," and section sixty-six of the same Act are hereby repealed.

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Guarantee of insurance fund.

17. The Government hereby guarantees the sufficiency of the insurance fund to meet all payments authorised by this Act. Any surplus which may be found available, after making proper provision for meeting the liabilities entailed by this Act, shall be paid into the Consolidated Fund. This Act shall come into operation at a date to be fixed by a Proclamation in the *Gazette*.

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Date of operation.

Insurance of employés by Board.

18. The Board may insure the lives of any permanent employés in the New Zealand Government Insurance Department, and the proceeds of such insurance shall be paid into the insurance fund: Provided that, in all cases where employés are insured prior to this Act coming into operation, the Board may accept from such employé a transfer of his life policy in lieu of effecting a fresh insurance, upon such terms as the Government Actuary may advise.

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