

This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.

House of Representatives,  
2nd September, 1902.

[AS REPORTED FROM SELECT COMMITTEE, 24TH SEPTEMBER, 1902.]

Hon. Sir J. G. Ward.

GOVERNMENT RAILWAYS SUPERANNUATION FUND.

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A BILL INTITULED

AN ACT to establish a Superannuation Fund in connection with the Government Railways Department. 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 Government Railways Superannuation Fund Act, 1902"; and it shall come into operation on the first day of January, one thousand nine hundred and three. Short Title.

2. In this Act, if not inconsistent with the context,—  
"Board" means the Government Railways Superannuation Fund Board under this Act: Interpretation.

"Contributor" means a contributor to the fund:

"Department" means the department of the public service employed in connection with the Government railways open for traffic:

"Fund" means the Government Railways Superannuation Fund:

"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:

“ Minister ” means the Minister for Railways :

“ Pay ” of a contributor means the actual sum paid to him as salary or wages in respect of his service, but does not include allowances or payment for overtime.

THE FUND.

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Fund established.

3. There is hereby established in connection with the department a fund to be called “ The Government Railways Superannuation Fund.”

Moneys forming fund.

4. The fund shall consist of,—

- (1.) The contributions from persons employed by the department, as hereinafter provided.
- (2.) The moneys now in the Railway Servants’ Fund, and all fines and penalties which would hereafter be payable to such last-mentioned fund but for the passing of this Act.
- (3.) Interest from time to time accruing from investment of the fund, as hereinafter provided.

Person 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 by the department may, at any time within six months after the commencement of this Act, elect to become a contributor to the fund.

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(2.) If he so elects, he shall be entitled to all the benefits of the fund, subject to the provisions of this Act.

(3.) If he does not so elect within six months from the commencement of this Act, he shall not at any future time become a contributor to the fund or participate in its benefits, but he shall still be entitled to any compensation which may be due to him under section seventy-six of “ The Government Railways Act, 1887.”

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

6. With respect to persons who are first permanently employed in any capacity by the department after the commencement of this Act, it shall be a condition of their employment that they shall contribute to the fund and be entitled to its benefits as hereinafter provided.

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Members’ contributions.

7. The contribution from members shall in each case be at the following percentage of the pay of each member respectively, and shall be deducted at each four-weekly railway accounting period, that is to say,—

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- (a.) Three per centum if his age is not more than thirty years at the time when the first contribution becomes payable ;

*Struck out.*

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| <ol style="list-style-type: none"> <li>(b.) Five per centum if his age then exceeds thirty years but does not exceed forty years ;</li> <li>(c.) Seven per centum if his age then exceeds forty years but does not exceed fifty years ;</li> </ol> | 40 |
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*New subsections.*

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| <ol style="list-style-type: none"> <li>(b.) Four per centum if his age then exceeds thirty years but does not exceed thirty-five years ;</li> <li>(c.) Five per centum if his age then exceeds thirty-five years but does not exceed forty years ;</li> <li>(d.) Six per centum if his age then exceeds forty years but does not exceed forty-five years ;</li> <li>(e.) Seven per centum if his age then exceeds forty-five years but does not exceed fifty years ;</li> <li>(d.f.) Ten per centum if his age then exceeds fifty years.</li> </ol> | 45 |
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8. The amount so deducted shall forthwith be paid by the department to the Public Trustee to the credit of an account in the name of the fund.

To be paid to Public Trustee.

5 9. (1.) The Railway Servants' Fund under "The Government Railways Act, 1900," is hereby abolished, and the moneys now standing to the credit thereof shall be transferred to the Government Railways Superannuation Fund.

Railway Servants' Fund abolished.

(2.) All fines, penalties, and other moneys which, but for the passing of this Act, would be payable to the Railway Servants' Fund shall hereafter be paid into the Government Railways Superannuation Fund.

10 10. 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.

Investment of fund.

15 11. (1.) The fund shall be administered by a Board, called "The Government Railways Superannuation Fund Board," and consisting of ~~eight~~ nine members, namely:—

Administration of fund.

The Minister,

The Solicitor-General,

20 The Public Trustee,

The General Manager,

Two persons to be elected, from among their number, by the members of the First Division of the department: one representing the North Island and the other the Middle Island;

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~~Two~~ Three persons to be similarly elected by the members of the Second Division of the department.

(2.) At all meetings of the Board ~~three~~ four shall form a quorum.

30 (3.) The Minister shall be Chairman at all meetings of the Board at which he is present, and at any meeting at which he is not present the Board shall appoint a Chairman from the members present.

(4.) Subject to the regulations under this Act, the Board may prescribe its own procedure.

35 12. With respect to the elective members of the Board, the following provisions shall apply:—

Elective members.

(1.) They shall be elected by ballot in the manner prescribed by regulations, such regulations to provide for the appointment of scrutineers by the contributors.

40 (2.) (a.) The first election shall be taken on the first Monday in March, one thousand nine hundred and three, and the members then elected shall hold office until the election of their successors;

45 (b.) An election shall again be taken on the first Monday in March, one thousand nine hundred and five, and thereafter on the same Monday in every third year.

(3.) Any question arising as to the regularity or validity of any ballot, or the voting thereat, shall be determined by the Minister in such manner as he thinks fit, and his decision shall be final.

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(4.) If an elective member of the Board dies, or by notice in writing addressed to the Minister resigns his office, or ceases to be a member of the department, then in any such case his seat becomes vacant, and a successor shall be elected, who shall hold office only for the remainder of his predecessor's term of office:

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Provided that where the vacancy occurs within three months of the ordinary election a ballot shall not be taken, but in lieu thereof the Governor may appoint to the vacancy.

- (5.) Notice of the election or appointment of any member shall be gazetted. 5

BENEFITS OF THE FUND.

Application of fund.

13. The fund shall be held and applied for the benefit of the contributors in the manner and subject to the conditions hereinafter set forth: 10

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

Retiring-allowance.

14. Every contributor whose length of service in the department is not less than forty years, or whose age is not less than sixty years, may at any time retire from the service of the department 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 allowance for the rest of his life computed as follows:— 15

For every year of service he shall receive one-sixtieth part of his annual rate of pay, but in no case shall the total yearly allowance exceed two-thirds of such annual rate of pay: 20

Provided that the Board may, with the consent of the Minister, extend the provisions of this section to any case where the contributor's service is not less than thirty-five years, but does not amount to forty years: Provided further that if the business of any railway company is taken over by the department, then the continuous service in the employ of such company of any contributor shall be deemed to be service in the department. 25

Contributors medically unfit for duty to participate.

15. Every contributor who with the consent or by the direction of the Minister retires from the service of the department on the ground of being medically unfit for further duty shall on his retirement be entitled to receive from the fund an allowance for the rest of his life computed as mentioned in the *last preceding* section, but not exceeding the maximum amount therein limited. 30

Contributor voluntarily retiring or dismissed.

16. (1.) If any contributor voluntarily retires from the service of the department before becoming entitled to a retiring allowance under this 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 any compensation to which he is entitled under section seventy-six of "The Government Railways Act, 1887." 35 40

(2.) If any contributor is dismissed or his services are otherwise 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. 45

Death of contributor before retirement.

(3.) If any contributor dies before becoming entitled to any 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 any compensation to which he is entitled under section seventy-six of "The Government Railways Act, 1887." 50

(4.) But 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, with an additional sum to be paid to or for the benefit of his children (if any) of five shillings per week in the case of each child until the child attains the age of fourteen years.

(5.) 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.*

*New subclause.*

(6.) Or the widow may, if she so elects, be paid in a lump sum, in lieu of the foregoing allowance, such portion of the amount of contributions actually paid by the contributor to the fund, and of the compensation to which the contributor was entitled under section seventy-six of "The Government Railways Act, 1887," as the Board having regard to the rights of the children, if any, thinks fit.

17. 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.

Contributions while pay stopped for ill-health.

18. (1.) In every case where, under the provisions of this Act, any life-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 beneath 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.

Basis of contribution to the fund.

(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.

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

Government guarantee of any deficiency in fund.

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

(2.) 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.

(3.) The Board's report, together with a statement by the Colonial Treasurer of his action thereon, shall be laid

- before Parliament within ten days after the receipt of the reports, if Parliament is then sitting, or, if not, then within ten days after the commencement of the next ensuing session thereof.
- Retiring-allowance to be paid monthly. 20. With respect to every retiring-allowance granted under this Act, the following provisions shall apply :— 5
- Grantees may elect to receive refund of contributions. (1.) 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. 10
- (2.) 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 any compensation to which he is entitled under section seventy-six of "The Government Railways Act, 1887," in lieu of his retiring-allowance, in which case he shall be entitled to receive such sum in lieu of an allowance. 15
- On death of grantee, benefit of widow and children. (3.) 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, *plus together with* the amount of compensation to which he is entitled under section seventy-six of "The Government Railways Act, 1887," the Board shall apply for the benefit of his widow and children or legal representatives the difference between the aforesaid amounts. 20
- Retiring-allowance or instalment may be forfeited. (4.) His retiring-allowance, or any one or more instalments thereof, may be forfeited by the Board in any of the following events :— 25
- (a.) If he is convicted of any crime on indictment; or
- (b.) If he knowingly becomes the associate of thieves or prostitutes; or ~~other persons of bad repute; or~~ 30
- (c.) In the case of a retiring-allowance being granted before the contributor has completed twenty-five years' service, and has attained the age of sixty years on the ground of his being medically unfit for further duty, if he fails to submit himself for further medical examination when required by the Minister, or if, being reported medically fit to return to duty, he fails to do so when required by the Minister. 35
- Return to duty after being medically unfit. 21. Where by the direction or with the consent of the Minister 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. 40
- Retiring-allowance not alienable. 22. In no case shall any retiring allowance or other money granted under this Act be in any way assigned, transferred, or alienated from the grantee, or be subject to "The Bankruptcy Act, 1892." 45
- Provision where payment made under "Workers' Compensation for Accidents Act, 1900." 23. 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 :— 50

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5 (1.) 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

10 (2.) 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.

15 24. 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. Board to keep accounts.

20 25. 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 laid by the Minister before Parliament, if sitting, or if not, then within ten days after the commencement of the next ensuing session, and a copy thereof shall be sent to each contributor. Balance-sheet.

25 26. 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: Provided, however, that all benefits under this Act shall be conferred upon any person who has actually contributed, and shall remain in force and shall not be prejudicially affected by the amendment or the repeal of this Act: Scheme may be modified.

30 Provided that nothing in this section shall affect any payments actually made to any member or other person under this Act prior to the passing of such amending or repealing Act.

35 27. In the case of contributors who are not included in the annual classification-list under "The Government Railways Department Classification Act, 1901," the Governor may, by Order in Council, determine the length of service of such contributors for the purposes of this Act: Length of service in certain cases.

40 *New proviso.*  
Provided that intermittent employment shall be counted when determining the length of service of such contributors.

45 28. 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.

- (1.) Prescribing the powers, functions, and procedure of the Board; and
- (2.) Generally prescribing whatever else he thinks necessary in order to give full effect to this Act.