

GOVERNMENT SUPERANNUATION FUND AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill, which is deemed to have come into force on 1 April 1987, consolidates and amends Part VI of the Government Superannuation Fund Act 1956. Part VI relates to Parliamentary Superannuation.

The principal changes, which apply in respect of persons who cease to be members on or after 1 April 1987, are as follows:

- (a) The annual retiring allowance is increased in respect of persons who cease to be members on or after 1 April 1987. At present the minimum annual retiring allowance payable after 9 years' service is $\frac{9}{32}$ nds of an ordinary member's salary at the date on which the retiring allowance first becomes payable. This minimum is increased by this Bill to $\frac{9}{24}$ ths of the salary payable from time to time to an ordinary member.

Under the existing Act the minimum of $\frac{9}{32}$ nds is increased by $\frac{1}{32}$ nd of an ordinary member's salary for each year served in excess of 9 until the maximum basic annual retiring allowance of $\frac{2}{3}$ rds of an ordinary member's salary is payable. Under this Bill the minimum of $\frac{9}{24}$ ths will be increased, for each year in excess of 9, by $\frac{1}{24}$ th of the salary payable from time to time to an ordinary member until the maximum basic annual retiring allowance of $\frac{2}{3}$ rds of the salary payable from time to time to an ordinary member is payable. This means that the $\frac{2}{3}$ rds figure will be reached after 16 years' service.

Where a member's service exceeds 22 years, the annual retiring allowance at present comprises, in addition to the $\frac{2}{3}$ rds figure, $\frac{1}{128}$ th part of an ordinary member's salary for each year, in excess of 22, served after 30 November 1975. Under this Bill the additional amount is to be payable for each year in excess of 16 and that additional amount is to be $\frac{1}{100}$ th part of the salary payable from time to time to an ordinary member:

- (b) At present the contributions of each member comprise 11 percent of an ordinary member's salary for the first 22 years and 8 percent of an ordinary member's salary for service in excess of 22 years. Under this Bill those contributions become 11 percent of an ordinary member's

salary for the first 16 years and 8 percent of an ordinary member's salary for service in excess of 16 years.

- (c) At present the qualifying age for an annual retiring allowance is 50 years. This Bill reduces that age to 45 years in the case of persons who cease to be members on or after 1 April 1987.
 - (d) Part VI has been made more self-contained as it now incorporates the substance of sections 40, 91, and 91A of the principal Act to the extent that those sections applied to members of Parliament:
 - (e) In the case of persons who cease to be members on or after 1 April 1987, annual adjustments of annual retiring allowances and annuities are no longer to be made on the basis of changes in the New Zealand Consumer Price Index.
In future such allowances and such annuities will be linked to an ordinary member's salary and will be altered in accordance with changes in that salary.
 - (f) The cash benefit that may be paid to a person who ceases to be a member after having served as a member for not less than 9 years is to be the same as that which may be paid to a person who ceases to be a member after having served as a member for less than 9 years. In each case such a person may elect to receive, without interest, twice the total amount of that person's contributions under Part VI of the principal Act.
 - (g) The time within which any person who has ceased to be a member of the House of Representatives in the period beginning on 1 April 1987 and ending with the passing of this Bill may make elections under Part VI of the principal Act is extended until the close of 31 March 1988.
 - (h) Any person who has made an election under Part VI of the principal Act in the period beginning on 1 April 1987 and ending with the passing of this Bill may, not later than 31 March 1988, revoke or amend that election or revoke that election and make a different election.
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Hon. Jonathan Hunt

GOVERNMENT SUPERANNUATION FUND AMENDMENT

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A BILL INTITULED

An Act to amend the Government Superannuation Fund Act 1956

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 1987, and shall be read together with and deemed part of the Government Superannuation Fund Act 1956* (hereinafter referred to as the principal Act). 5

(2) This Act shall be deemed to have come into force on the 1st day of April 1987. 10

2. New Part VI substituted—The principal Act is hereby amended by repealing Part VI, and substituting the following Part:

“PART VI 15

“PARLIAMENTARY SUPERANNUATION

“82. **Interpretation**—(1) In this Part of this Act, unless the context otherwise requires,—

“‘Member’ means a member of the House of Representatives; and includes any person who is for the time being receiving a salary fixed by a determination made under section 16 of the Civil List Act 1979: 20

“‘Ordinary member’ means a member of the House of Representatives who holds no other office in respect of which a salary is payable under the Civil List Act 1979: 25

“‘Salary’, in relation to a member, means the salary payable to that member under the Civil List Act 1979: 30

“‘Year’ means a period of 12 months ending with the 31st day of December.

“(2) For the purpose of computing the length of any period of service of any person as a member for the purposes of this Part of this Act,— 35

*R.S. Vol. 21, p. 209
Amendment: S.R. 1987/209

“(a) Where any period of such service has commenced or ended before the 1st day of July in any year, it shall be deemed to have commenced or ended, as the case may be, at the beginning of that year:

5 “(b) Where any period of such service has commenced or ended on or after the 1st day of July in any year, it shall be deemed to have commenced or ended, as the case may be, at the end of that year.

“Contributions

10 “83. **Contributions by members**—(1) From the salary payable to any member a superannuation contribution at a rate equal to 11 percent of an ordinary member’s salary shall be deducted as the salary becomes payable from time to time, and paid into a special account within the Government
15 Superannuation Fund to be called the Parliamentary Superannuation Account.

“(2) Notwithstanding the provisions of **subsection (1)** of this section where the service of any person as a member exceeds 16 years, the superannuation contribution deducted from that
20 member’s salary shall, in respect of service as a member in excess of 16 years, be at a rate equal to 8 percent of an ordinary member’s salary instead of at the rate specified in **subsection (1)** of this section.

25 “83A. **Taxation exemption in respect of contributions**—All contributions payable under this Part of this Act are hereby deemed, for the purposes of section 59 of the Income Tax Act 1976, to be contributions to the Government Superannuation Fund.

30 “83B. **Election to contribute in respect of notional service**—(1) Where any person is first elected as a member at a by-election in the period which begins with the day after the polling day appointed for a general election and ends with the 30th day of June in the second year following the year in which that polling day occurred, that person may elect, for the
35 purposes of this Part of this Act, to have that person’s period of service computed as if that person had been elected a member at that general election.

“(2) Every election made under **subsection (1)** of this section shall be made not later than 3 months after the polling day
40 appointed for the general election immediately following the by-election at which the person was elected.

“(3) Every election made under **subsection (1)** of this section shall be made in writing delivered to the Superintendent.

“(4) Where a person makes an election under **subsection (1)** of this section, that person shall pay into the Parliamentary Superannuation Account an amount equal to the superannuation contribution that would have been deducted under **section 83 (1)** of this Act if—

“(a) That person had been elected a member at the general election mentioned in **subsection (1)** of this section; and

“(b) That person had been receiving, from the polling day appointed for that general election until the day on which that person’s salary commenced to be payable consequent on that person’s election as a member at the by-election, a salary at a rate equal to that payable to an ordinary member as at the date on which the election is made by that person under **subsection (1)** of this section.

“(5) Where any amount payable pursuant to **subsection (4)** of this section is not paid within 6 months after the polling day appointed for the general election next following the by-election at which the person was elected, that amount or so much of it as is for the time being unpaid shall thereafter bear interest at the rate for the time being determined by the Board for the purposes of the proviso to section 23A (6) of this Act.

“(6) All interest payable under **subsection (5)** of this section shall be recoverable as a debt due to the Crown and may be deducted from any annual retiring allowance payable to the person who made the election or any annuity payable to the surviving spouse of that person.

“(7) Every election made under **subsection (1)** of this section shall have effect according to its tenor.

“**83c. Interest payments not to count as contributions**—Where any person is required or permitted to make payments to the Parliamentary Superannuation Account that include the payment of interest, that interest shall not comprise part of the contributions of that person.

“Retiring Allowances

“**84. Retiring allowance of members**—(1) Any person who—

“(a) Ceases to be a member on or after the 1st day of April 1987; 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 1st day of April 1987); and

5 “(c) Has attained the age of 45 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 45 years, 10 whichever day is the later.

“⁽³⁾ The annual retiring allowance payable to a person under this section shall comprise,—

15 “(a) In respect of each year of that person’s service as a member (not exceeding 16), one twenty-fourth part of the salary payable from time to time to an ordinary member; plus

20 “(b) In respect of each year of that person’s service as a member in excess of 16, one one-hundredth part of the salary payable from time to time to an ordinary member.

“**84A. Election to surrender portion of retiring allowance and receive cash payment**—(1) Any person who becomes entitled to an annual retiring allowance under this Part of this Act may elect to surrender the right to receive a 25 proportion of the annual retiring allowance and to receive instead payment out of the Parliamentary Superannuation Account of a sum equal to 10 times the amount by which the annual retiring allowance is reduced by the surrender.

30 “(2) Notwithstanding anything in **subsection (1)** of this section, a member who intends to cease to be a member within the following 3 months may make an election under that subsection as if that member had become entitled to an annual retiring allowance under this Part of this Act if—

35 “(a) That member would have been so entitled if that member had ceased to be a member on the day before the date of the making of the election; or

40 “(b) That member would be so entitled if that member were to continue in office as a member for a further period (not exceeding 3 months) and were then to cease to be a member.

“⁽³⁾ Where any member to whom **subsection (2)** of this section applies has made an election under **subsection (1)** of this section, that member may make a further election, before that member ceases to be a member, to thereupon receive not more than

half the amount that that member would be entitled to receive if that member had been entitled to an annual retiring allowance when that person made the election under **subsection (1)** of this section.

“(4) Where any amount is paid to any person under **subsection (3)** of this section, interest shall be payable on that amount by that person at such rate as the Board may determine for the period between the date on which that person receives that amount and the date on which that person becomes entitled to the annual retiring allowance or the date of that person’s death, whichever is the earlier. 5 10

“(5) All such interest shall be recoverable as a debt due to the Crown and may be deducted from any annual retiring allowance payable to the person who made the election or any annuity payable to the surviving spouse of that person. 15

“(6) Every election under this section shall be made in writing and delivered to the Superintendent before the person who made the election has accepted any instalment of that person’s annual retiring allowance.

“(7) Except as provided in **subsections (3) and (8)** of this section, no person shall have the right to revoke or amend any election under this section or to make any further election. 20

“(8) Where a person has made an election under **subsection (1)** of this section, that person shall be entitled to make one further election to increase the proportion of the annual retiring allowance surrendered by that person under **subsection (1)** of this section before that person has accepted any instalment of that person’s annual retiring allowance. 25

“(9) No election or combination of elections under this section shall entitle any person to surrender more than one-quarter of that person’s annual retiring allowance under this Part of this Act. 30

“(10) Where a person has completed an election under this section or under section 91 of this Act in respect of a previous period of service as a member, the amount so surrendered shall be deducted from the annual retiring allowance that that person may elect to surrender. 35

“(11) Upon an election under this section becoming effective, the annual retiring allowance payable to the person who made that election shall be reduced by the same proportion as that which that person has elected to surrender and all rights in respect of the proportion so surrendered shall be determined. 40

“(12) Except as provided in **subsection (3)** of this section, any amount which a person is entitled to receive by virtue of an

election made pursuant to **subsection (2)** of this section shall become payable—

- “(a) On the date on which that person becomes entitled to payment of the annual retiring allowance; or
5 “(b) On the date of that person’s death,—
whichever is the earlier.

“**84AA. Special right of person who has not attained 45 years to elect to surrender proportion of retiring allowance and receive cash payment—**(1) This section
10 applies to any person—

- “(a) Who ceases to be a member on or after the 1st day of April 1987; and
“(b) Who, at the time of so ceasing to be a member, has not
15 “(c) Who will, if he or she attains the age of 45 years, become entitled under **section 84** of this Act to an annual retiring allowance.

“(2) Any person to whom this section applies—

- 20 “(a) Shall be deemed, for the purposes of this section, to become entitled to an annual retiring allowance on the day after the date on which that person ceases to be a member (being an annual retiring allowance calculated as if that person had become entitled to receive an annual retiring allowance on that day);
25 and

- “(b) May, within 3 months after ceasing to be a member and before attaining the age of 45 years, elect to surrender the right to receive a proportion of the annual retiring allowance and to receive instead
30 payment out of the Parliamentary Superannuation Account of a sum equal to 10 times the amount by which the annual retiring allowance is reduced by the surrender.

35 “(3) Where any person to whom this section applies exercises a right of election under this section and an annual retiring allowance subsequently becomes payable to that person pursuant to **section 84** of this Act or an annuity subsequently becomes payable to that person’s spouse pursuant to **section 86b** or **section 86c** of this Act,—

- 40 “(a) That annual retiring allowance or the annual retiring allowance on which the annuity is based shall be calculated in accordance with **section 84 (3)** of this Act as if **subsection (2)** of this section had not been passed; and

“(b) That annual retiring allowance or the annual retiring allowance on which the annuity is based shall be reduced by the same proportion as that which that person had elected to surrender and all rights in respect of the proportion surrendered shall be determined. 5

“(4) Every election under this section shall be made in writing and delivered to the Superintendent before the person who made the election has accepted any instalment of that person’s annual retiring allowance. 10

“(5) Except as provided in **subsection (6)** of this section, no person shall have the right to revoke or amend any election under this section or to make any further election.

“(6) Where a person has made an election under **subsection (2) (b)** of this section, that person shall be entitled to make one further election to increase the proportion of the annual retiring allowance surrendered by that person under **subsection (2) (b)** of this section before that person has accepted any instalment of that person’s annual retiring allowance. 15

“(7) No election or combination of elections under this section shall entitle any person to surrender more than one-quarter of that person’s annual retiring allowance under this Part of this Act. 20

“(8) Where a person has completed an election under this section in respect of a previous period of contributory service, the amount so surrendered shall be deducted from the annual retiring allowance that that person may elect to surrender. 25

“(9) A person to whom this section applies may not make an election under **section 84A** of this Act.

“**84B. Right to defer retiring allowance to age 55 or 60 years in return for lump sum on retirement—**(1) This section applies to— 30

“(a) Any person to whom **section 84AA** of this Act applies:

“(b) Any person—

“(i) Who ceases to be a member on or after the 1st day of April 1987; and 35

“(ii) Who, at the date when that person ceases to be a member, has not attained the age of 50 years; and

“(iii) Who is entitled under **section 84** of this Act to an annual retiring allowance. 40

“(2) Any person to whom this section applies may, in addition to or instead of exercising the right to surrender a proportion of that person’s annual retiring allowance, elect to

defer receiving the 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—

5 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 84A** or **section 84AA** of this Act:

10 D is 3.5 if deferral is to age 55 years or 7 if deferral is to age 60 years.

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

“(a) Shall be made in writing; and

15 “(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.

20 “(4) No person shall have the right to revoke or amend any election made under **subsection (2)** of this section or to make any further election after the person has accepted any payment under this section.

25 “**84C. Election of variable retiring allowance to secure level income**—(1) Subject to the provisions of this section, any person who becomes entitled to an annual retiring allowance payable out of the Parliamentary Superannuation Account may, with the consent of the Board and within the time and in the manner prescribed by this section, elect to surrender from
30 any specified date a specified portion of the annual retiring allowance which, but for that person's election that person would be entitled to receive from the Parliamentary Superannuation Account on ceasing to be a member, in order to provide for payment to that person from that Account of an
35 increased annual retiring allowance up to that specified date.

“(2) An election under this section may be for one reduction of the actual annual retiring allowance from one specified date or for successive reductions from 2 or more specified dates.

40 “(3) The maximum amount or proportion of the annual retiring allowance that any person who becomes entitled to an annual retiring allowance payable out of the Parliamentary Superannuation Account may surrender on making an election under this section shall be determined by the Board.

“(4) Before the Board consents to an election under this section by a person, it may, in its discretion, obtain such medical evidence as to the health of that person as it may require.

“(5) Every annual retiring allowance granted in accordance with this section shall be determined by the Board on an actuarial basis so that there is no overall increase or decrease in the liabilities of the Parliamentary Superannuation Account. 5

“(6) Every election under this section shall be in writing delivered to the Superintendent. 10

“(7) An election under this section may be made at any time within the 3 months immediately preceding the date of the commencement of the annual retiring allowance or at any time before the acceptance of the first instalment of that annual retiring allowance. 15

“Cash Benefits

“85. **Elections to receive cash benefits, etc.**—(1) Any person who ceases to be a member may, at any time before accepting any payment under this Part of this Act, elect to receive, without interest, twice the total amount of that person’s contributions under this Part of this Act. 20

“(2) **Subsection (1)** of this section and **section 85c** of this Act shall not apply where a contributor elects, in accordance with section 61 of this Act, to contribute to the Government Superannuation Fund in respect of the period during which the contributor was a member, in which case there shall be refunded to the contributor, without interest, the total amount of the contributor’s contributions under this Part of this Act. 25

“(3) Except as provided in **section 85c** of this Act, no person who, in accordance with this section,— 30

“(a) Receives a payment pursuant to an election made under **subsection (1)** of this section; or

“(b) Receives a refund under **subsection (2)** of this section,— shall be entitled to any other benefit under this Part of this Act.

“85A. **Benefit where retired member who is not entitled to retiring allowance dies before receiving cash benefit**—(1) This section applies to any person— 35

“(a) Who has ceased to be a member, on or after the 1st day of April 1987, after having served as a member for less than 9 years; and 40

“(b) Who has not received—

“(i) A payment pursuant to an election made under **section 85 (1)** of this Act; or

“(ii) A refund under **section 85 (2)** of this Act.

“(2) Where any person to whom this section applies dies on or after the 1st day of April 1987, the amount that that person would have been entitled to receive if that person had made an election under **section 85 (1)** of this Act on the date of that
5 person’s death, shall be paid—

“(a) To that person’s spouse; or

“(b) If that person does not leave a spouse, to that person’s
10 personal representatives in trust for the persons entitled to receive it under that person’s will or under the Acts relating to the distribution of intestate estates.

“(3) Any money payable out of the Parliamentary Superannuation Account under **subsection (2) (b)** of this section to the personal representatives of a deceased person may, if no
15 grant of probate or of letters of administration is obtained within 3 months after the death of that person, be paid to the Public Trustee in trust for the persons beneficially entitled to that money.

“Re-election

20 “**85B. Re-election as member before receiving any payment**—Where any person who has ceased to be a member but who has not accepted any payment under this Part of this Act again becomes a member, the period of that person’s
25 service as a member shall, for the purposes of this Part of this Act, include the period or periods of such service that took place before that person again became a member.

“**85C. Re-election as member after receiving cash benefit**—Where any person who has received a payment pursuant to an election made by that person under **section 85 (1)**
30 of this Act again becomes a member,—

“(a) The period of that person’s service as a member shall, for the purposes of this Part of this Act, include the period of such service that took place before that
35 person again became a member; and

“(b) The contributions that were deducted under **section 83** of this Act in respect of the period of service that took place before that person again became a member shall be treated as part of that person’s contributions
40 under this Part of this Act,—

only if that person pays into the Parliamentary Superannuation Account, within such time and in such manner as the Minister

of Finance may allow in that behalf, the amount of that payment.

“85D. Re-election as member before attaining age at which retiring allowance is payable—(1) This section applies to—

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“(a) Any person—

“(i) Who ceases to be a member on or after the 1st day of April 1987 after having served as a member for not less than 9 years; and

“(ii) Who, at the date when that person ceases to be a member, has not attained the age of 45 years; and

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“(iii) Who has not made an election under section 84B (2) of this Act:

“(b) Any person who has made an election under section 84B (2) of this Act.

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“(2) Where any person to whom this section applies again becomes a member before attaining the age at which an annual retiring allowance is payable to that person,—

“(a) That person shall cease to be entitled to that annual retiring allowance on attaining that age; but

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“(b) Subject to subsection (3) of this section, the period of that person’s service as a member shall, for the purposes of this Part of this Act, include the period of such service that took place before that person again became a member.

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“(3) Where the person who again becomes a member is a person who has made an election under section 84B (2) of this Act and F (as defined in subsection (4) of this section) is less than E (as defined in that subsection), that person shall pay into the Parliamentary Superannuation Account, within such time and in such manner as the Minister of Finance may allow in that behalf, a proportion of the amount received by that person as a result of the making of that election.

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“(4) The proportion to be refunded under subsection (3) of this section shall be calculated in accordance with the formula

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$$\frac{E - F}{E}$$

where—

E is 42 if deferral was to age 55 years or 84 if deferral was to age 60 years:

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F is the number of complete months between—

“(a) The end of the period of service as a member that took place before the making of the election under section 84B (2) of this Act; and

“(b) The date when the person again became a member.

“**86. Re-election as member when in receipt of annual retiring allowance**—(1) Where any person who is in receipt of an annual retiring allowance under this Part of this Act again becomes a member, that annual retiring allowance shall cease to be payable on the date on which that person again becomes a member; but, for the purposes of this Part of this Act, the period of that person’s service as a member shall thenceforth include the period of such service that took place before the first payment of that annual retiring allowance to that person.

“(2) Where any person who is in receipt of an annual retiring allowance under this Part of this Act—

“(a) Again becomes a member; and

15 “(b) Has, before again becoming a member, made an election under **section 84c** of this Act,—

the Board may, on such terms and conditions as the Board thinks fit having regard to the provisions of **subsection (5)** of that section, permit that person to vary that election upon that person subsequently ceasing to be a member.

“*Death Benefits*

“**86A. Benefits where member dies and leaves spouse**—

(1) Where any member dies on or after the 1st day of April 1987 and leaves a spouse, there shall be paid to the spouse, at the election of the spouse,—

“(a) A lump sum being—

“(i) One year’s salary of an ordinary member calculated at the rate payable at the date of death; or

30 “(ii) Without interest, twice the total amount of that member’s contributions under this Part of this Act—

whichever is the greater; or

35 “(b) An annuity at one-half of the rate of the annual retiring allowance to which the member would have been entitled from time to time under **section 84** of this Act if—

“(i) He or she had ceased to be a member on the date of his or her death; and

40 “(ii) Nothing in that section required him or her to attain the age of 45 years or to serve as a member for any minimum period; or

“(c) Both—

(i) A lump sum, being not more than 80 percent of the maximum sum that the member could have elected to receive under **section 84A** of this Act had the member been entitled to make an election under that section at the date of the member's death and nothing in **section 84** of this Act required him or her to attain the age of 45 years or to serve as a member for any minimum period; and 5

“(ii) An annuity at the rate fixed by **paragraph (b)** of this subsection, reduced by the same proportion as the proportion of the annual retiring allowance which the member would have had to surrender under **section 84A (1)** of this Act for the purpose of providing a lump sum equal to that payable under **subparagraph (i)** of this paragraph. 10 15

“(2) Every election under **subsection (1)** of this section shall be made in writing delivered to the Superintendent, and shall not be capable of revocation or variation after the first payment from the Parliamentary Superannuation Account in accordance with the election is accepted by the spouse. 20

“(3) The entitlement of any spouse to any benefit under this section shall not be affected by any change in the marital status of that spouse.

“**86B. Benefits where retired member dies before becoming entitled to retiring allowance and leaves spouse—**(1) Where any person, being a person who has ceased to be a member on or after the 1st day of April 1987 and who would, on attaining the age of 45, 55, or 60 years, have become entitled to an annual retiring allowance under this Part of this Act, dies before becoming entitled to such an annual retiring allowance and leaves a spouse, there shall be paid to the spouse, at the election of the spouse,— 25 30

“(a) Without interest, twice the total amount of that person's contributions under this Part of this Act, less any amounts received by that person from the Parliamentary Superannuation Account since that person last became a member; or 35

“(b) An annuity in accordance with **subsection (2)** or **subsection (3)** of this section.

“(2) Where the deceased person would have become entitled to an annual retiring allowance on attaining the age of 45 years and the spouse of that person elects, pursuant to **subsection (1) (b)** of this section, to receive an annuity under this subsection— 40

“(a) The spouse shall become entitled to the annuity on the day after the date of death; and

5 “(b) The annuity shall be paid at one-half of the rate of the annual retiring allowance to which the deceased person would have been entitled from time to time under this Part of this Act if he or she had not been required to attain the age of 45 years.

“(3) Where the deceased person would have become entitled to an annual retiring allowance on attaining the age of 55 years or 60 years and the spouse of that person elects, pursuant to subsection (1) (b) of this section, to receive an annuity under this subsection—

15 “(a) The spouse shall become entitled to the annuity on the day on which the deceased person would have become entitled to the annual retiring allowance had he or she survived; and

20 “(b) The annuity shall be paid at one-half of the rate of the annual retiring allowance that would have been payable to the deceased person from time to time if he or she had survived until the day on which he or she would have become entitled to the annual retiring allowance.

“(4) Every election under subsection (1) of this section shall be made in writing delivered to the Superintendent, and shall not be capable of revocation or variation after the first payment from the Parliamentary Superannuation Account in accordance with the election is accepted by the spouse.

30 “(5) The entitlement of any spouse to any benefit under this section shall not be affected by any change in marital status of that spouse.

“86c. **Benefits where retired member dies after becoming entitled to retiring allowance and leaves spouse—**(1) Where any person who has ceased to be a member on or after the 1st day of April 1987 dies after becoming entitled to an annual retiring allowance under this Part of this Act and leaves a spouse who last became the spouse of that person before that person became entitled to such an annual retiring allowance, there shall be paid to the spouse, at the election of the spouse,—

40 “(a) Without interest, twice the total amount of that person’s contributions under this Part of this Act, less any amounts received by that person from the Parliamentary Superannuation Account since that person last became a member; or

“(b) An annuity at one-half of the rate of the annual retiring allowance that, disregarding the effect of any election made under section 40 or **section 84c** of this Act, would have been payable to that person from time to time if that person had not died. 5

“(2) Where any person who has ceased to be a member on or after the 1st day of April 1987 dies after becoming entitled to an annual retiring allowance under this Part of this Act and leaves a spouse who last became the spouse of that person after that person became entitled to an annual retiring allowance 10 under this Part of this Act, there shall be paid to the spouse, at the election of the spouse,—

“(a) Without interest, twice the total amount of that person’s contributions under this Part of this Act, less any amounts received by that person from the 15 Parliamentary Superannuation Account since that person last became a member; or

“(b) An annuity being the appropriate proportion of the annual retiring allowance that, disregarding the effect of any election made under section 40 or **section 84c** of this Act, would have been payable to that person from time to time if that person had not died, which proportion shall be— 20

“(i) Ten percent of that allowance where that person dies less than 2 years after the spouse last 25 became the spouse of that person:

“(ii) Twenty percent of that allowance where that person dies 2 or more years but less than 3 years after the spouse last became the spouse of that person: 30

“(iii) Thirty percent of that allowance where that person dies 3 or more years but less than 4 years after the spouse last became the spouse of that person:

“(iv) Forty percent of that allowance where that person dies 4 or more years but less than 5 years after the spouse last became the spouse of that person: 35

“(v) Fifty percent of that allowance where that person dies 5 or more years after the spouse last 40 became the spouse of that person.

“(3) Every election under **subsection (1)** or **subsection (2)** of this section shall be made in writing delivered to the Superintendent, and shall not be capable of revocation or variation after the first payment from the Parliamentary 45

Superannuation Account in accordance with the election is accepted by the spouse.

“(4) The entitlement of any spouse to any benefit under this section shall not be affected by any change in the marital status of that spouse.

“86D. **Benefit where member or retired member dies without leaving spouse**—(1) This section applies to any person who is—

“(a) A member; or

“(b) A person who has ceased to be a member on or after the 1st day of April 1987 but who—

“(i) Is entitled to an annual retiring allowance under this Part of this Act; or

“(ii) Will, on attaining the age of 45, 55, or 60 years, become entitled to an annual retiring allowance under this Part of this Act.

“(2) Where any person to whom this section applies dies on or after the 1st day of April 1987 and does not leave a spouse, there shall be paid to that person’s personal representatives in trust for the persons entitled to receive it under that person’s will or under the Acts relating to the distribution of intestate estates, as the case may be, without interest, twice the total amount of that person’s contributions under this Part of this Act, less any amounts received by that person from the Parliamentary Superannuation Account since that person last became a member.

“(3) Any money payable out of the Parliamentary Superannuation Account under subsection (2) of this section to the personal representatives of a deceased person may, if no grant of probate or of letters of administration is obtained within 3 months after the death of that person, be paid to the Public Trustee in trust for the persons beneficially entitled to that money.

“86E. **Children’s allowance**—(1) This section applies to any person who is—

“(a) A member; or

“(b) A person who has ceased to be a member on or after the 1st day of April 1987 but who—

“(i) Is entitled to an annual retiring allowance under this Part of this Act; or

“(ii) Will, on attaining the age of 45, 55, or 60 years, become entitled to an annual retiring allowance under this Part of this Act.

“(2) Where any person to whom this section applies dies on or after the 1st day of April 1987, whether before or after becoming entitled to an annual retiring allowance under this Part of this Act, and leaves a child or children under the age of 16 years, there shall be paid to or on behalf of every such child an allowance at the rate calculated under **subsection (8)** of this section until the child attains the age of 16 years. 5

“(3) Where a child of a deceased person has attained the age of 16 years and would be entitled to an allowance under **subsection (2)** of this section if that child had not attained that age, the Board may grant or continue an allowance to that child at such rate as the Board may determine, not exceeding the rate calculated under **subsection (8)** of this section,— 10

“(a) For assisting in the education of that child, up to the close of the 31st day of December of the year in which the child attains the age of 18 years: 15

“(b) Where the child has a physical or mental disability that prevents the child from earning a living, for such period as the Board thinks fit.

“(4) No allowance shall be paid to any child of a deceased person under this section if an allowance is already payable to that child under this section as the child of another person. 20

“(5) Where an allowance is payable to any child under section 47 or section 61Q (3) of this Act and the child becomes entitled to an allowance under this section, the allowance payable under this section shall be paid, and the allowance payable under section 47 or section 61Q (3) of this Act shall cease. 25

“(6) Any money payable out of the Parliamentary Superannuation Account under this section to or on behalf of a child of a deceased person may, at the discretion of the Board, be— 30

“(a) Paid to the child directly; or

“(b) Expended by the Board for the benefit of the child; or

“(c) Paid to the Public Trustee or any other person to be expended on behalf of the child in such manner as the Public Trustee or that other person thinks fit. 35

“(7) Any receipt given by an infant or any other person for any money paid under the authority of this section shall be a good discharge to the Board. 40

“(8) The rate of the allowance payable each year to or on behalf of any child under this section shall be—

$$\$1,000 \times \frac{A}{B}$$

where—

5 A is the all groups index number of the New Zealand Consumer Price Index for the December quarter preceding the year in respect of which the allowance is payable:

B is the all groups index number of the New Zealand Consumer Price Index for the December quarter in the year 1982.

10 **“86F. Election to surrender proportion of annuity and receive cash payment—**(1) This section shall apply to any surviving spouse who becomes entitled to an annuity under this Part of this Act who is less than 61 years of age at the time the entitlement to the annuity arises.

15 **“(2)** Any surviving spouse to whom this section applies may elect to surrender the right to a proportion of the annuity and to receive instead payment out of the Parliamentary Superannuation Account of a sum equal to 10 times the amount by which the annuity is reduced by the surrender.

20 **“(3)** Every election under this section shall be made in writing and delivered to the Superintendent before the surviving spouse has accepted any instalment of the annuity.

“(4) No surviving spouse shall have the right to revoke, amend, or extend any election made under this section.

25 **“(5)** The proportion of the annuity that any surviving spouse elects to surrender under this section shall not exceed one-fourth.

30 **“(6)** On the making of any such election, the annuity payable to the surviving spouse shall be reduced by the same proportion as that which the surviving spouse has elected to surrender, and all rights in respect of the proportion so surrendered shall be determined.

“Exclusion of Annual Adjustment

35 **“87. Exclusion of provision for annual adjustment—**Nothing in the Government Superannuation Fund Amendment Act 1969 shall apply in respect of any annual retiring allowance or annuity payable under this Part of this Act as a result of a person ceasing to be a member on or after the 1st day of April 1987.

“Subsidy

40 **“88. Provision for payments—**(1) All retiring allowances and refunds of contributions and all other money payable

under this Part of this Act shall be paid out of the Parliamentary Superannuation Account.

“(2) Where in any year the money in the Parliamentary Superannuation Account is insufficient to meet the payments required by **subsection (1)** of this section, the deficiency shall be met by a payment from the Consolidated Account without further appropriation than this section.” 5

3. Election to surrender proportion of retiring allowance and receive cash payment—Section 91 of the principal Act (as substituted by section 5 of the Government Superannuation Amendment Act 1980) is hereby amended by repealing subsection (1) (as substituted by section 26 (1) of the Government Superannuation Amendment Act 1986), and substituting the following subsection: 10

“(1) Any contributor who becomes entitled to a retiring allowance under this Act may elect to surrender the right to receive a proportion of the retiring allowance and to receive instead payment out of the Fund of a sum equal to,— 15

“(a) In the case of a contributor to the Fund under Part IIA, Part IV, Part V, Part VIA, or Part VIB of this Act, 10 20 times the amount by which the annual retiring allowance is reduced by the surrender:

“(b) In the case of any other contributor (not being a contributor to whom section 71M of this Act or section 14 of the Government Superannuation Amendment Act 1970 applies or a person to whom an annual retiring allowance is payable under Part VI of this Act), 9 times the amount by which the annual retiring allowance is reduced by the surrender.” 25 30

4. Election to surrender proportion of annuity and receive cash payment—(1) Section 91A (2) of the Government Superannuation Fund Act 1956 (as substituted by section 27 (1) of the Government Superannuation Fund Amendment Act 1986) is hereby amended by inserting in paragraph (b), after the words “of this Act”, the words “(other than Part VI)”. 35

(2) Section 91A of the Government Superannuation Fund Act 1956 (as inserted by section 19 (1) of the Government Superannuation Fund Act 1986) is hereby further amended by repealing subsection (2A) (as inserted by clause 5 of the Parliamentary Superannuation Determination 1987). 40

5. Surrender of part of retiring allowance for allowance to another person—Section 91B (8) of the principal Act (as enacted by section 28 (1) of the Government Superannuation Fund Amendment Act 1986) is hereby amended by omitting the expression “79 and 87”, and substituting the expression “and 79”.

6. Retiring allowances not alienable—(1) Section 92 of the principal Act (as amended by section 29 of the Government Superannuation Fund Amendment Act 1986) is hereby amended by repealing subsection (3), and substituting the following subsection:

“(3) Nothing in this section shall prevent the operation of any agreement entered into under section 21 of the Matrimonial Property Act 1976; and every such agreement shall be binding on the Fund and on every special account within the Fund and shall be given effect to, as necessary, by the Superintendent so long as the agreement does not increase the liabilities of the Fund or of any such special account or infringe any requirement relating to compulsory contributions to the Fund or to any such special account.”

(2) Section 29 of the Government Superannuation Fund Amendment Act 1986 is hereby consequentially repealed.

7. Date of qualification—(1) The Third Schedule to the Government Superannuation Fund Amendment Act 1969 (as substituted by section 33 (6) of the Government Superannuation Fund Amendment Act 1986) is hereby amended by omitting from item 1 the expression “Part III or Part VI”, and substituting the expression “or Part III”.

(2) The said Third Schedule is hereby further amended by inserting, after item 1, the following item:

“1A. An annual retiring allowance payable under Part VI of the principal Act as a result of a person ceasing to be a member before the 1st day of April 1987. The day immediately preceding the date on which the first instalment of the annual retiring allowance is payable; but no increased payment shall be made in respect of any period before the 9th day of July 1984.”

(3) The said Third Schedule is hereby further amended by omitting from item 2 the expression “Part III or Part VI”, and substituting the expression “or Part III”.

(4) The said Third Schedule is hereby further amended by inserting, after item 2, the following item:

“2A. An annuity payable under Part VI of the principal Act as a result of a person ceasing to be a member before the 1st day of April 1987. The day immediately preceding the date on which the first instalment of the annuity is payable; but no increased payment shall be made in respect of any period before the 9th day of July 1984.”

8. Repeals—The enactments specified in the First Schedule to this Act are hereby repealed.

9. Revocations—The determinations specified in the Second Schedule to this Act are hereby revoked.

Transitional Provisions

10. Extended time within which to make elections—
 (1) Notwithstanding anything in Part VI of the principal Act (as substituted by section 2 of this Act), any person who ceased to be a member of the House of Representatives in the period beginning on the 1st day of April 1987 and ending with the passing of this Act and who was entitled at any time in that period to make an election under Part VI of the principal Act (as so substituted) may make that election at any time in the period beginning with the date of the passing of this Act and ending with the close of the 31st day of March 1988.
 (2) Nothing in this section limits any right conferred on any person by any provision of Part VI of the principal Act (as so substituted) to make an election under that Part at any time after the 31st day of March 1988.

11. Limited right to revoke or amend elections or to make new elections—(1) Notwithstanding anything in Part VI of the principal Act, where any person has, at any time in the period beginning on the 1st day of April 1987 and ending with the passing of this Act, made an election under Part VI of the principal Act as it stood at the time of that election, that person may, in accordance with this section,—
 (a) Revoke or amend that election; or
 (b) Revoke that election and make a different election under Part VI of the principal Act (as substituted by section 2 of this Act).

(2) Where—

- (a) Any revocation of an election; or
- (b) Any amendment of an election; or
- (c) Any election,

5 is made under **subsection (1)** of this section, that revocation, amendment, or election shall be made in writing and delivered to the Superintendent not later than the 31st day of March 1988.

10 (3) Where any person who has received a payment pursuant to an election made by that person under Part VI of the principal Act at any time in the period beginning on the 1st day of April 1987 and ending with the passing of this Act exercises the right conferred on that person by **subsection (1)** of this section and, as a consequence of the exercise of that right, ceases to be
15 entitled to receive that payment, the exercise of that right shall be subject to the condition that that person pay into the Parliamentary Superannuation Account, within such time and in such manner as the Minister of Finance may allow in that behalf, the amount of the payment so received.

20 (4) Any person who, pursuant to **subsection (3)** of this section, has paid, or is required to pay, into the Parliamentary Superannuation Account—

(a) The amount of any payment received pursuant to an election made under **section 85** of the principal Act; or

25 (b) The amount of any refund received under **section 85** of the principal Act,—

shall be deemed, for the purposes of **section 85 (3)** of the principal Act, not to have received that payment or refund.

30 **12. Contributions**—The substitution in the principal Act by **section 2** of this Act of a new section 83 does not entitle any person to a refund of any superannuation contributions deducted from the salary of that person before the 1st day of April 1987.

Saving

35 **13. Saving**—(1) Where any retiring allowance or annuity or refund is payable 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 1st day of April 1987, nothing in
40 this Act shall affect that retiring allowance or annuity or refund and the principal Act (including the Government Superannuation Fund Amendment Act 1969) shall apply to that retiring allowance or annuity or refund as if this Act had not been passed.

(2) Nothing in this Act limits the application of Part VI of the principal Act (as substituted by **section 2** of this Act) in any case where a person who has ceased to be a member of the House of Representatives before the 1st day of April 1987 again becomes a member of the House of Representatives on or after 5 that date.

(3) Nothing in this section limits the amendment made by **section 6** of this Act.

SCHEDULES

FIRST SCHEDULE

Section 8

ENACTMENTS REPEALED

- 1959, No. 85—The Government Superannuation Fund Amendment Act 1959: Sections 27, 28, and 30. (R.S. Vol. 21, p. 421.)
 1961, No. 111—The Government Superannuation Fund Amendment Act 1961: Sections 7 to 10. (R.S. Vol. 21, p. 424.)
 1970, No. 116—The Government Superannuation Fund Amendment Act 1970: Subsections (3) and (4) of section 7. (R.S. Vol. 21, p. 453.)
 1976, No. 30—The Government Superannuation Fund Amendment Act 1976: Section 32. (R.S. Vol. 21, p. 465.)
 1979, No. 46—The Government Superannuation Fund Amendment Act 1979: Sections 14 (2) and 17 (2). (R.S. Vol. 21, p. 477.)
 1985, No. 62—The Government Superannuation Fund Amendment Act 1985: So much of Part I of the Second Schedule as relates to section 87 (1) of the principal Act. (R.S. Vol. 21, p. 62.)
 1986, No. 132—The Government Superannuation Fund Amendment Act 1986: Section 26 (1). (R.S. Vol. 21, p. 492.)

SECOND SCHEDULE

Section 9

DETERMINATIONS REVOKED

| Title | Statutory Regulations Serial Number |
|---|--|
| The Parliamentary Superannuation Determination 1978 | 1978/320 |
| The Parliamentary Superannuation Determination 1981 | 1981/272 |
| The Parliamentary Superannuation Determination (No. 2) 1984 | 1984/187 |
| The Parliamentary Superannuation Determination 1987 | 1987/209 |