

GOVERNMENT SUPERANNUATION FUNDS BILL, 1932.

EXPLANATORY MEMORANDUM.

THE general purpose of this Bill is to give effect to the recommendations contained in the Final Report of the National Expenditure Commission (1932, B.-4A.) respecting the Public Service Superannuation Fund, the Teachers' Superannuation Fund, and the Government Railways Superannuation Fund.

PRELIMINARY.

Clauses 2, 3, and 4 are general in their application to the three Funds affected by the Bill, and are in the nature of interpretation clauses.

Clause 2 requires no comment.

Clause 3, subclause (1): None of the definitions in subclause (1) calls for special mention except the definition of the term "an actuarial retiring-allowance". This definition is important, the term "actuarial retiring-allowances" being used throughout the Bill with reference—(1) to persons who are already in receipt of retiring-allowances without having complied with the requirements for a full pension; and (2) to persons who hereafter retire from any of the services affected, before they have complied with those requirements. The method of computing "an actuarial retiring-allowance" is prescribed in clause 4.

Clause 3, subclause (2): This subclause relates exclusively to persons who have already retired from service and are now in receipt of a retiring-allowance. It distinguishes in the main between persons who retired from service after having served for the full term required to qualify for a maximum pension and those persons who retired by leave of a Minister of the Crown or other authority on a retiring-allowance less than the maximum. An important qualification of the above general statement is in the fact that "the full term required to qualify for a maximum pension" is determined, in any particular case, by reference to the proposed law for the future, and not by reference to the state of the law as at the date of the particular retirement. The meaning of the phrase "qualified to retire as of right" is of importance in the making by the Government Actuary of calculations under clause 4.

Clause 3, subclause (3): This subclause is similar in terms to subclause (2), but is limited in its application to persons who are still in service, and to future employees.

Clause 4: In several places throughout the Bill provision is made for payment of "an actuarial retiring-allowance", either in lieu of an existing retiring-allowance or on retirement hereafter without complying with the maximum requirements for a full pension. Subclause (1) relates only to persons who have already retired; subclause (2) relates to future retirements; subclause (3) is a machinery provision common to all cases. The effect of the whole clause is to secure the Funds against any additional liability resulting from retirement before the maximum conditions of service have been complied with.

PART I.

PUBLIC SERVICE SUPERANNUATION FUND.

Clauses 5 to 16 relate exclusively to the Public Service Superannuation Fund.

Clause 5 requires no special comment.

Clauses 6 to 8 concern persons who are already in the Service and those who may hereafter join it. Clauses 12 and 13 relate exclusively to persons who have already retired and are now in receipt of retiring-allowances. Clauses 14, 15, and 16 refer to the means proposed to be adopted for securing the stability of the Fund by way of subsidies and guarantee.

Future Retiring-allowances.

Clause 6: This clause is intended to give effect to paragraph 1445 of the Commission's report. It deals with the requirements which must be complied with before a present or future contributor can qualify to retire as of right. The only difference between the present law and the proposals of the Bill, in this respect, is that under the present law a male contributor can retire as of right after forty years' service, irrespective of age, while under the proposals contained in the Bill he must, in addition to having completed forty years' service, have attained the age of sixty years. Similar provision is made with respect to female contributors. Paragraph 1445 of the report also deals with retirements on the grounds of medical unfitness; no alteration in this respect is proposed to be made in the present law, which is contained in section 32 of the Public Service Superannuation Act, 1927.

Clause 7: This clause is intended to give effect to the recommendations contained in paragraph 1446 of the Commission's report. The effect of the clause will be that a contributor who retires before qualifying for a full pension will receive an actuarially reduced pension instead of a proportionately reduced pension, as heretofore. Section 38 of the principal Act (which is referred to in subclause (4) of clause 7) gives to a contributor who, after at least twenty years' service but before qualifying for a retiring-allowance, is compulsorily retired for any reason other than misconduct, a right to receive a refund of his contributions with compound interest. The sections proposed to be repealed by subclause (5) relate to actuarially computed retiring-allowances, and are superseded by the new provisions.

Clause 8: Paragraph 1447 of the Commission's report contains alternative proposals. Clause 8 of the Bill adopts one of them—namely, that for the purpose of computing retiring-allowances a contributor's annual salary shall be taken as his average salary during the last ten years of his service. The present basis of computation is the average over the last three years of service.

Clause 9: This clause abolishes the present maximum retiring-allowance of £300 (applicable to persons who became contributors to the Fund after the passing of the Public Service Superannuation Amendment Act, 1909). This is in accordance with paragraph 1474 of the Commission's report.

Clause 10: This clause, though not expressly covered by the Commission's report, appears to be consequential thereon. It relates to women contributors who are retired as medically unfit for further duty.

Clause 11: This clause extends the authority of the Superannuation Board to determine conclusively certain questions of fact as to the service of contributors. It is merely a machinery provision, and does not originate directly from anything in the report.

Existing Retiring-allowances.

Clause 12 provides for the recomputation of existing retiring-allowances. It gives effect to paragraphs 1461 and 1464 of the Commission's report. The general effect of the clause may be briefly stated as follows: (1) No reduction is contemplated in—
(a) Retiring-allowances in force prior to 31st March, 1921; (b) retiring-allowances at

a rate not exceeding £100 per annum. (2) The following classes of retiring-allowances are to be recomputed on the basis of the average salary for last ten years of service : (a) Retiring-allowances in cases where the annuitants at the time of retirement had satisfied the requirements of the law then in force (that is to say, men who retired after forty years' service or after attaining age 65 ; women who retired after thirty years' service, or after attaining age 55) ; (b) Annuitants who retired on the ground of being medically unfit for further duty. (3) Existing retiring-allowances of every other class are to be recomputed, and in lieu thereof an actuarially-computed retiring-allowance is to be substituted. The rules as to the computation of an actuarial retiring-allowance are stated in clause 4 ; the general principles to be observed in arriving at the amount of such actuarial retiring-allowances are, first, that no additional liability is to be imposed on the Fund by reason of retirement before the maximum requirements have been complied with, and, secondly, that calculations are made by reference to the requirements for retirement proposed in the Bill and not by reference to the requirements of the law in force at the time of retirement.

Clause 13 : This clause fixes the date (1st January, 1933) on which reductions in existing retiring-allowances take effect. The point was not dealt with in the report.

Government Subsidies, &c.

Clause 14 : Subclause (1) of this clause is limited in its application to the current financial year only. It continues the present law which provides for a subsidy of £86,000 from the Consolidated Fund. Subclause (2) begins to operate with the financial year commencing on the 1st April, 1933. From that date the subsidy from the Consolidated Fund will be at the rate of £1 for every £1 of contributors' contributions. The clause gives effect to paragraph 1449 of the Commission's report.

Clause 15 : Subclause (1) merely repeats in effect provisions which are already contained in section 20 of the Finance Act, 1927 (No. 2) (which provides that every Department maintained otherwise than from the Consolidated Fund shall bear its proper proportion of the Government subsidy). Subclause (2) is in accordance with paragraph 1454 of the Commission's report. It provides for payment to the Superannuation Fund of a subsidy for the period 1st January, 1908, to 31st March, 1933, from the several Accounts therein specified. Authority to extend these provisions to other Accounts is conferred on the Minister of Finance by subclause (5).

Clause 16 : This clause gives effect to the recommendations contained in paragraph 1448 of the Commission's report. Its immediate effect will be to authorize the Actuary when valuing the Fund to assume that its earning capacity will not fall below 5 per cent. per annum. If in any triennial period the interest on the Fund falls below 5 per cent., the deficiency is to be made up from the Consolidated Fund.

PART II.

TEACHERS' SUPERANNUATION FUND.

The provisions of this Part, with certain exceptions of minor importance, make with respect to the Teachers' Superannuation Fund provisions corresponding to those made by Part I with respect to the Public Service Superannuation Fund. Similar provisions with respect to the Government Railways Superannuation Fund are made in Part III. Compare, for example, clauses 6, 18, and 30 ; clauses 7, 19, and 31 ; clauses 8, 20, and 32 ; clauses 9, 21, and 33 ; clauses 10 and 22 ; clauses 12, 23, and 34 ; clauses 13, 24, and 35 ; clauses 14, 25, and 36 ; and clauses 16, 26, and 38.

The counterpart of clause 27 is to be found, not in Part I of the Bill, but in section 40 of the Public Service Superannuation Act, 1927.

PART III.

THE GOVERNMENT RAILWAYS SUPERANNUATION FUND.

Clause 29: This clause gives effect to paragraph 1450 of the Commission's report. Its effect is to bring the rate of contribution payable by Railway officers who joined the Fund prior to 1st January, 1908, up to the rate payable by officers who joined subsequent to that date. At the present time there is a difference of 2 per cent. in the rate of such contributions.

Clause 37: Under the present law there is no statutory requirement of a triennial actuarial investigation of the Government Railways Superannuation Fund. Clause 37, which is based on the provisions relating to the actuarial investigation of the Public Service Superannuation Fund, remedies this defect. The provision for an actuarial investigation, combined with the provisions for a subsidy of £1 for every £1 of contributions contained in clause 36, renders section 119 of the Government Railways Act, 1926, unnecessary, and it is proposed by clause 37 (5) to repeal that section.

Clause 39: The repeal by this clause of section 125 of the Government Railways Act, 1926, is consequential on the main provisions in this Part of the Bill.

Clause 40 corresponds to clause 27, and to section 40 of the Public Service Superannuation Act, 1927.

Right Hon. Mr. Forbes.

GOVERNMENT SUPERANNUATION FUNDS.

ANALYSIS.

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| <p>Title.</p> <p>1. Short Title and commencement.</p> <p style="text-align: center;"><i>PRELIMINARY.</i></p> <p>2. Application of Act.</p> <p>3. Interpretation. Meaning of expression "qualified to retire as of right".</p> <p>4. Computation of actuarial retiring-allowance.</p> <p style="text-align: center;"><i>PART I.</i></p> <p>THE PUBLIC SERVICE SUPERANNUATION FUND.</p> <p>5. This Part to be read with Part I of Public Service Superannuation Act, 1927.</p> <p style="text-align: center;"><i>Future Retiring-allowances.</i></p> <p>6. Variation of benefits to which contributors to Public Service Superannuation Fund are entitled on their retirement.</p> <p>7. Special provisions as to contributors compulsorily retired otherwise than for misconduct, or who voluntarily retire without complying with last preceding section. Repeals.</p> <p>8. Retiring-allowances to be computed on average salary for last ten years of service.</p> <p>9. Abolition of £300 limit of retiring-allowance.</p> <p>10. Condition attached to retiring-allowance granted to female contributor on grounds of being medically unfit.</p> | <p>11. Certain questions of fact to be determined by Board.</p> <p style="text-align: center;"><i>Existing Retiring-allowances.</i></p> <p>12. Provisions for review of existing retiring-allowances.</p> <p>13. Date on which reductions in existing retiring-allowances to take effect.</p> <p style="text-align: center;"><i>Miscellaneous.</i></p> <p>14. Government subsidy in aid of Fund. Repeal.</p> <p>15. Certain Departments to pay subsidy on contributions to Fund. Repeal.</p> <p>16. Rate of interest on investment of Fund guaranteed at 5 per centum per annum.</p> <p style="text-align: center;"><i>PART II.</i></p> <p>THE TEACHERS' SUPERANNUATION FUND.</p> <p>17. This Part to be read with Part IV of Public Service Superannuation Act, 1927.</p> <p style="text-align: center;"><i>Future Retiring-allowances.</i></p> <p>18. Variation of benefits to which contributors to Teachers' Superannuation Fund are entitled on their retirement.</p> <p>19. Special provisions as to contributors compulsorily retired otherwise than for misconduct, or who voluntarily retire without complying with last preceding section.</p> <p>20. Retiring-allowances to be computed on average salary for last ten years of service.</p> |
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| <p>21. Abolition of £300 limit of retiring-allowance.</p> <p>22. Condition attached to retiring-allowance granted to female contributor on grounds of being medically unfit.</p> <p style="text-align: center;"><i>Existing Retiring-allowances.</i></p> <p>23. Provisions for review of existing retiring-allowances.</p> <p>24. Date on which reductions in existing retiring-allowances to take effect.</p> <p style="text-align: center;"><i>Miscellaneous.</i></p> <p>25. Government subsidy in aid of Fund. Repeal.</p> <p>26. Rate of interest on investment of Fund guaranteed at 5 per centum per annum.</p> <p>27. Decision of Teachers' Superannuation Board to be final in respect of certain matters.</p> | <p style="text-align: center;"><i>Future Retiring-allowances.</i></p> <p>30. Variation of benefits to which contributors to Government Railways Superannuation Fund are entitled on their retirement.</p> <p>31. Special provisions as to contributors compulsorily retired otherwise than for misconduct, or who voluntarily retire without complying with last preceding section.</p> <p>32. Computation of retiring-allowances. Repeal.</p> <p>33. Abolition of £300 limit of retiring-allowance.</p> <p style="text-align: center;"><i>Existing Retiring-allowances.</i></p> <p>34. Provisions for review of existing retiring-allowances.</p> <p>35. Date on which reductions in existing retiring-allowances to take effect.</p> <p style="text-align: center;"><i>Miscellaneous.</i></p> <p>36. Subsidy in aid of Fund.</p> <p>37. Triennial examination of Fund by actuary. Repeal.</p> <p>38. Rate of interest on investment of Fund guaranteed at 5 per centum per annum.</p> <p>39. Repeal.</p> <p>40. Decision of Government Railways Superannuation Fund Board to be final in respect of certain matters.</p> |
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PART III.

THE GOVERNMENT RAILWAYS SUPER-
ANNUATION FUND.

28. This Part to be read with Part III of Government Railways Act, 1926.
29. Increasing rates of contribution to Government Railways Superannuation Fund by persons who became contributors prior to 1st January, 1908.

A BILL INTITULED

Title. AN ACT to amend the Law relating to the Public Service Superannuation Fund, the Teachers' Superannuation Fund, and the Government Railways Superannuation Fund. 5

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

Short Title and commencement. 1. This Act may be cited as the Government Superannuation Funds Act, 1932, and shall come into force on the *first* day of *January*, nineteen hundred and *thirty-three*.

PRELIMINARY.

Application of Act. 2. This Act is divided into Parts as follows:—
PART I.—The Public Service Superannuation Fund.
PART II.—The Teachers' Superannuation Fund.
PART III.—The Government Railways Superannuation Fund.

3. (1) In this Act, unless the context otherwise requires,— Interpretation.

5 “An actuarial retiring-allowance” means an annual retiring-allowance computed by the Government Actuary in accordance with the provisions of section *four* hereof :

“Contributor” includes a former contributor who has retired from the Service :

10 “Government Actuary” means the person for the time being holding office as Government Actuary in the Public Service, and if at any time there is no person holding such office means an actuary appointed by the Governor-General for the purposes of this Act :

15 “The Fund” means the Public Service Superannuation Fund, the Teachers’ Superannuation Fund, or the Government Railways Superannuation Fund, as the context may in any case require :

20 “The Service” means the Public Service, the Education Service, or the Government Railways Service, as the context may in any case require.

(2) For the purpose of computing an actuarial retiring-allowance in accordance with the provisions of the *next* succeeding section, any person who before the commencement of this Act has retired from the Public Service, the Education Service, or the Government Railways Service shall be deemed to have been qualified to retire as of right if and as soon as—

Meaning of expression “qualified to retire as of right”.

30 (a) In the case of a male, he attained the age of sixty-five years, or, not having attained that age, he attained the age of sixty years and his length of service was not less than forty years :

35 (b) In the case of a female, she attained the age of sixty years, or, not having attained that age, she attained the age of fifty-five years and her length of service was not less than thirty-five years—

40 but (notwithstanding anything to the contrary in the law in force at the date of retirement) no person who has retired as aforesaid shall be deemed to have been qualified to retire as of right unless, in the case of a male, he satisfied, at the date of his retirement, the requirements of paragraph (a) of this subsection, or,

in the case of a female, she satisfied, at the date of her retirement, the requirements of paragraph (b) of this subsection.

(3) For the purposes of computing an actuarial retiring-allowance in accordance with the provisions of the *next succeeding* section, every person who at the commencement of this Act is employed in the Public Service, the Education Service, or the Government Railways Service, or who thereafter becomes employed in any of such Services, shall be qualified to retire as of right if and as soon as—

- (a) In the case of a male, he attains the age of sixty-five years, or, not having attained that age, he attains the age of sixty years and his length of service is not less than forty years:
- (b) In the case of a female, she attains the age of sixty years, or, not having attained that age, she attains the age of fifty-five years and her length of service is not less than thirty-five years—

but no such person shall be deemed to be qualified to retire as of right unless, in the case of a male, he satisfies, at the date of his retirement, the requirements of paragraph (a) of this subsection, or, in the case of a female, she satisfies, at the date of her retirement, the requirements of paragraph (b) of this subsection.

Computation of
actuarial
retiring-
allowance.

4. (1) Where any person who on the commencement of this Act is in receipt of a retiring-allowance becomes entitled by virtue of any of the provisions of this Act to an actuarial retiring-allowance in lieu thereof, the amount of such actuarial retiring-allowance shall be the maximum amount which in accordance with the certificate of the Government Actuary could have been granted to the contributor on his retirement, without imposing on the Fund any additional liability by reason of the fact that the contributor retired before the earliest date on which, in accordance with the provisions of subsection *two* of the *last preceding* section, he would have been qualified to retire as of right.

(2) Where any contributor to a Fund retires after the commencement of this Act and by virtue of any of the provisions of this Act becomes entitled on retirement to an actuarial retiring-allowance, the amount of such retiring-allowance shall be the maximum amount which,

in accordance with the certificate of the Government Actuary, can be granted without imposing on the Fund any additional liability by reason of the fact that the contributor has retired, or is about to retire, before the
 5 earliest date on which, in accordance with the provisions of subsection *three* of the *last preceding* section, he is qualified to retire as of right.

(3) In computing the amount of any actuarial retiring-allowance for the purposes of subsection *one* or subsection
 10 *two* of this section, the Government Actuary shall assume in respect of any contributor that if he had remained in the Service until he had become qualified to retire as of right he would have continued to receive the same rate of salary as he was receiving immediately prior to his
 15 retirement, and in the case of a contributor who on his retirement was contributing to the Fund on the basis of a higher rate than his actual salary, the Government Actuary shall further assume that if he had remained in the Service he would have continued to
 20 contribute on that higher basis. Where for the purpose of any computation to be made under this section the Government Actuary is required to ascertain the average annual rate of salary of a contributor, such average rate shall not in any case be deemed to exceed the average
 25 rate of salary actually received by the contributor during the three years immediately preceding his retirement.

PART I.

THE PUBLIC SERVICE SUPERANNUATION FUND.

5. This Part of this Act shall be read together with
 30 and deemed part of Part I of the Public Service Superannuation Act, 1927 (hereinafter in this Part referred to as the principal Act).

This Part to be read with Part I of Public Service Superannuation Act, 1927.

Future Retiring-allowances.

6. (1) Subsection one of section twenty-six of the
 35 principal Act is hereby repealed, and the following subsections substituted therefor:—

“(1) Every contributor who satisfies the requirements of the *next succeeding* subsection may at any time retire from the Public Service at the expiration of three
 40 months’ notice of his or her intention so to do, and shall on retirement in any manner from the said Service be entitled to receive from the Fund an annual retiring-

Variation of benefits to which contributors to Public Service Superannuation Fund are entitled on their retirement.

allowance for the rest of his or her life computed as follows :—

For every year of service such contributor shall receive one-sixtieth part of his or her annual salary, and for every fraction of a year of service such contributor shall receive a proportionate part of one-sixtieth of his or her annual salary, but in no case shall the retiring-allowance exceed two-thirds of such salary. 5

“(1A) The requirements referred to in the *last preceding* subsection are as follows :— 10

“(a) In the case of a male contributor, that he has attained the age of sixty-five years, or that, not having attained that age, he has attained the age of sixty years and his length of service is not less than forty years : 15

“(b) In the case of a female contributor, that she has attained the age of sixty years, or that, not having attained that age, she has attained the age of fifty-five years and her length of service is not less than thirty-five years.” 20

(2) Section twenty-six of the principal Act, as amended by subsection *one* of this section, shall apply with respect to present contributors as well as to future contributors to the Fund. 25

Special provisions as to contributors compulsorily retired otherwise than for misconduct, or who voluntarily retire without complying with last preceding section.

7. (1) This section applies to all present contributors as well as to all future contributors, except contributors who at the commencement of this Act are or who thereafter become qualified to receive on retirement a retiring-allowance in accordance with the provisions of section twenty-six of the principal Act, as amended by the *last preceding* section. 30

(2) Every contributor to whom this section applies and who satisfies the requirements of the *next succeeding* subsection shall, on retirement from the Public Service in any manner hereinafter in this section referred to, be entitled to receive from the Fund for the rest of his or her life an actuarial retiring-allowance. 35

(3) The requirements referred to in the *last preceding* subsection are as follows :— 40

(a) In the case of a male or female contributor who is compulsorily retired for any reason other than misconduct, that the length of service of the contributor is not less than twenty-five years ; or, in the alternative, that his or her age is not less than fifty years : 45

(b) In the case of a male contributor who voluntarily retires from the service, that his length of service is not less than forty years and his age is not less than fifty-five years :

5 (c) In the case of a female contributor who voluntarily retires from the service, that her length of service is not less than thirty-five years and her age is not less than fifty years.

(4) Nothing in this section shall affect the operation of section thirty-eight of the principal Act.

(5) Section thirty-nine of the Finance Act, 1930 (No. 2), section fourteen of the Finance Act, 1931, and section forty-two of the Finance Act, 1931 (No. 4), are hereby repealed. Repeals.

15 **8.** (1) Section thirty-five of the principal Act is hereby amended by omitting the word "three" wherever it occurs (except in the proviso), and in each case substituting the word "ten". Retiring-allowances to be computed on average salary for last ten years of service.

(2) The proviso to the said section thirty-five is hereby amended by omitting the words "three years next preceding such reduction or transfer", and substituting the words "ten years next preceding such reduction or transfer, or the ten years next preceding the date of retirement, whichever of such average rates is the greater".

25 **9.** Section thirty of the principal Act is hereby repealed. Abolition of £300 limit of retiring-allowance.

10. Section thirty-two of the principal Act is hereby amended by omitting from subsection three the words "fifty-five years", and substituting the words "sixty years". Condition attached to retiring-allowance granted to female contributor on grounds of being medically unfit.

11. Section forty of the principal Act is hereby amended by omitting the words "within the meaning of section *thirty-eight* hereof". Certain questions of fact to be determined by Board.

35 **12.** (1) Nothing in this section with respect to the recomputation of existing retiring-allowances shall apply to—

(a) A retiring-allowance granted to any person on his retirement from the Public Service on or before the thirty-first day of March, nineteen hundred and twenty-one: Provisions for review of existing retiring-allowances.

40 (b) Any retiring-allowance the annual rate of which does not exceed *one hundred* pounds.

(2) Except as provided in the *last preceding* subsection, every retiring-allowance in force at the commencement of this Act and payable to a contributor of any of the classes hereinafter specified shall be recomputed on the average rate of salary received by such contributor during the *ten* years immediately preceding his or her retirement, or on the average rate of salary received during the three years ended on the thirty-first day of March, nineteen hundred and twenty-one, whichever of such average rates is the greater, but such retiring-allowance shall not be otherwise affected by this section. The classes of contributors to which this subsection refers are the following:—

- (a) Male contributors whose length of service was not less than forty years or, in the alternative, whose age on retirement was not less than sixty-five years: 15
- (b) Female contributors whose length of service was not less than thirty years or, in the alternative, whose age on retirement was not less than fifty-five years: 20
- (c) Contributors who have retired on the ground of being medically unfit for further duty.

(3) Every person in receipt of a retiring-allowance at the commencement of this Act (not being a retiring-allowance to which subsection *one* or subsection *two* of this section relates) shall receive an actuarial retiring-allowance in lieu thereof. 25

(4) No person shall be entitled by virtue of this section to receive a retiring-allowance of a greater amount than his existing retiring-allowance, and no retiring-allowance shall by the operation of this section be reduced by more than *twenty* per centum thereof, or below an annual rate of *one hundred* pounds. 30

Date on which reductions in existing retiring-allowances to take effect.

13. The reductions (if any) effected in the rates of existing retiring-allowances by reason of their recomputation in accordance with the provisions of the *last preceding* section, or by the substitution of an actuarial retiring-allowance, shall commence to take effect with respect to the instalments of such allowances payable for the month of January, nineteen hundred and *thirty-three*, and shall apply to all instalments thereafter becoming payable. 35 40

Miscellaneous.

14. (1) In the month of January, nineteen hundred and thirty-three, the Minister of Finance shall pay into the Fund, out of moneys appropriated by Parliament for the purpose, the sum of eighty-six thousand pounds, together with such further amount (if any) as may be so appropriated for the purposes of the Fund.

Government subsidy in aid of Fund.

(2) For the year commencing on the first day of April, nineteen hundred and thirty-three, and for each year thereafter, the Minister of Finance shall, by monthly instalments, pay into the Fund, out of moneys appropriated from the Consolidated Fund for the purpose, an amount equal to the total contributions made to the Fund by contributors in each such year. The first such monthly payment shall be made not later than the thirty-first day of May, nineteen hundred and thirty-three.

(3) This section is in substitution for section fifty of the principal Act, and that section is hereby accordingly repealed.

Repeal.

(4) Section forty-nine of the principal Act is hereby consequentially amended by omitting from subsection two all words after the words "the close of the period".

15. (1) Where the salaries of any contributors to the Public Service Superannuation Fund are, in respect of any period commencing after the thirty-first day of March, nineteen hundred and thirty-three, paid out of any fund or account other than the Consolidated Fund there shall from time to time, as the Minister of Finance directs, be paid, without further appropriation than this section, out of such fund or account into the Consolidated Fund such amount as the Minister deems to be properly chargeable to that fund or account to recoup to the Consolidated Fund a proportion of the subsidy paid or payable out of the Consolidated Fund in aid of the Public Service Superannuation Fund.

Certain Departments to pay subsidy on contributions to Fund.

(2) Where the salaries of any contributors to the Public Service Superannuation Fund, in respect of the period commencing on the first day of January, nineteen hundred and eight (being the date of the coming into operation of the Public Service Superannuation Act, 1907), and ending on the thirty-first day of March, nineteen hundred and thirty-three, have been paid in whole or in part out of the Public Trustee's Account, the Government Insurance

Account, or the State Fire Insurance Account, there shall, in accordance with the appropriation of Parliament, be paid by way of subsidy into the Superannuation Fund, out of the Account from which such salaries have been paid, an amount calculated in accordance with the following provisions, namely:—

- (a) The subsidy for any year or part of a year ending on the thirty-first day of March, comprised in the said period, shall be an amount to be fixed by the Minister of Finance as equal or approximately equal to the contributions to the Superannuation Fund in respect of salaries paid out of the same Account for that year or portion of a year, as the case may be, reduced by the amount (if any) transferred from that Account in respect of the same year or portion of a year, for the purpose of recouping the Consolidated Fund, pursuant to section twenty of the Finance Act, 1927 (No. 2), or so transferred before the passing of that Act without express statutory authority. Such subsidy shall be deemed to have become payable on the thirty-first day of March of the year to which it relates: 5
- (b) The subsidies so payable shall be charged with compound interest at the rate of four per centum per annum from the due date of payment: 10
- (c) The aggregate of the amounts computed under paragraph (a) and paragraph (b) hereof in respect of any Account shall be the total amount of the subsidy payable out of that Account pursuant to this subsection. 15
- (3) The total amount of subsidy payable out of any Account to the Superannuation Fund under the *last preceding* subsection may be paid by instalments extending over such period as the Minister of Finance may direct, with interest at the rate of five per centum per annum on all instalments for the time being unpaid. 20
- (4) Where income-tax is payable out of any Account as aforesaid for any year, the amount of any instalment paid out of such Account in the same year pursuant to the *last preceding* subsection, and also any amount paid under subsection *one* hereof, shall be deductible from the total income of that Account for that year for the purpose of calculating the assessable income thereof. 25

(5) The Minister of Finance may at any time by writing under his hand apply the provisions of subsections *two, three, and four* hereof to any other fund or account within or without the Public Account, and thereupon those provisions shall apply to such fund or account in the same manner as they apply with respect to the several Accounts mentioned in subsection *two* hereof.

(6) Section twenty of the Finance Act, 1927 (No. 2), is hereby repealed as from the thirty-first day of March, nineteen hundred and thirty-three.

16. If for the triennial period ending on the thirty-first day of March, nineteen hundred and thirty-three, or for any triennial period thereafter, the net effective rate of interest derived from the investment of the Fund is less than five per centum per annum, the Minister of Finance, on receipt of a certificate from the Actuary appointed under section forty-nine of the principal Act, shall pay into the Fund, out of moneys to be appropriated by Parliament for the purpose, such amount as may, in accordance with such certificate, be required to provide a net effective rate of five per centum per annum.

Repeal.

Rate of interest on investment of Fund guaranteed at 5 per centum per annum.

PART II.

THE TEACHERS' SUPERANNUATION FUND.

17. This Part of this Act shall be read together with and deemed part of Part IV of the Public Service Superannuation Act, 1927 (hereinafter in this Part referred to as the principal Act).

This Part to be read with Part IV of Public Service Superannuation Act, 1927.

Future Retiring-allowances.

18. (1) Section seventy-five of the principal Act is hereby repealed, and the following section substituted therefor:—

Variation of benefits to which contributors to Teachers' Superannuation Fund are entitled on their retirement.

“75. (1) Every contributor who satisfies the requirements of the *next succeeding* subsection shall on retirement in any manner from the Education Service be entitled to receive from the Fund an annual retiring-allowance for the rest of his or her life computed as follows:—

For every year of the contributor's length of service the contributor shall receive one-sixtieth part of his or her annual salary, and for every fraction of a year of that length of service the contributor shall receive a proportionate part of one-sixtieth of his or her annual salary, but in no case shall the retiring-allowance exceed two-thirds of such salary.

“(2) The requirements referred to in the *last preceding* subsection are as follows:—

“(a) In the case of a male contributor, that he has attained the age of sixty-five years, or that, not having attained that age, he has attained the age of sixty years and his length of service is not less than forty years: 5

“(b) In the case of a female contributor, that she has attained the age of sixty years, or that, not having attained that age, she has attained the age of fifty-five years and her length of service is not less than thirty-five years.” 10

(2) Section seventy-five of the principal Act, as set out in the foregoing provisions of this section, shall apply with respect to present contributors as well as to future contributors to the Fund. 15

Special provisions as to contributors compulsorily retired otherwise than for misconduct, or who voluntarily retire without complying with last preceding section.

19. (1) This section applies to all present contributors as well as to all future contributors, except contributors who at the commencement of this Act are or who thereafter become qualified to receive on retirement a retiring-allowance in accordance with the provisions of section seventy-five of the principal Act, as set out in the *last preceding* section. 20

(2) Every contributor to whom this section applies and who satisfies the requirements of the *next succeeding* subsection shall, on retirement from the Education Service in any manner hereinafter in this section referred to, be entitled to receive from the Fund for the rest of his or her life an actuarial retiring-allowance. 25

(3) The requirements referred to in the *last preceding* subsection are as follows:— 30

(a) In the case of a male or female contributor who is compulsorily retired for any reason other than misconduct, that the length of service of the contributor is not less than twenty-five years; or, in the alternative, that his or her age is not less than fifty years: 35

(b) In the case of a male contributor who voluntarily retires from the service, that his length of service is not less than forty years and his age is not less than fifty-five years: 40

(c) In the case of a female contributor who voluntarily retires from the service, that her length of service is not less than thirty-five years and her age is not less than fifty years. 45

20. (1) Section eighty of the principal Act is hereby amended by omitting the word "three" wherever it occurs (except in the proviso to subsection one), and in each case substituting the word "ten".

Retiring-allowances to be computed on average salary for last ten years of service.

5 (2) The proviso to subsection one of the said section eighty is hereby amended by omitting the words "three years preceding such reduction or transfer", and substituting the words "ten years next preceding such reduction or transfer, or the ten years next preceding
10 the date of retirement, whichever of such average rates is the greater".

21. Section seventy-six of the principal Act is hereby repealed.

Abolition of £300 limit of retiring-allowance.

15 22. Section seventy-seven of the principal Act is hereby amended by omitting from subsection two the words "fifty-five years", and substituting the words "sixty years".

Condition attached to retiring-allowance granted to female contributor on grounds of being medically unfit.

Existing Retiring-allowances.

20 23. (1) Nothing in this section with respect to the recomputation of existing retiring-allowances shall apply to—

Provisions for review of existing retiring-allowances.

(a) A retiring-allowance granted to any person on his retirement from the Education Service on or before the thirty-first day of March, nineteen
25 hundred and twenty-one:

(b) Any retiring allowance the annual rate of which does not exceed *one hundred* pounds.

(2) Except as provided in the *last preceding* subsection, every retiring-allowance in force at the commencement
30 of this Act and payable to a contributor of any of the classes hereinafter specified shall be recomputed on the average rate of salary received by such contributor during the *ten* years immediately preceding his or her retirement, or on the average rate of salary received
35 during the three years ended on the thirty-first day of March, nineteen hundred and twenty-one, whichever of such average rates is the greater, but such retiring-allowance shall not be otherwise affected by this section. In estimating the said period of *ten* years no account
40 shall be taken of any interval or intervals during which the contributor has been temporarily out of employment in the Education Service, or during which his

salary has been temporarily stopped. The classes of contributors to which this subsection refers are the following:—

(a) Male contributors whose length of service was not less than forty years or, in the alternative, whose age on retirement was not less than sixty-five years: 5

(b) Female contributors whose length of service was not less than thirty years or, in the alternative, whose age on retirement was not less than fifty-five years: 10

(c) Contributors who have retired on the ground of being medically unfit for further duty.

(3) Every person in receipt of a retiring-allowance at the commencement of this Act (not being a retiring-allowance to which subsection *one* or subsection *two* of this section relates) shall receive an actuarial retiring-allowance in lieu thereof. 15

(4) No person shall be entitled by virtue of this section to receive a retiring-allowance of a greater amount than his existing retiring-allowance, and no retiring-allowance shall by the operation of this section be reduced by more than *twenty* per centum thereof, or below an annual rate of *one hundred* pounds. 20

Date on which reductions in existing retiring-allowances to take effect.

24. The reductions (if any) effected in the rates of existing retiring-allowances by reason of their recomputation in accordance with the provisions of the *last preceding* section, or by the substitution of an actuarial retiring-allowance, shall commence to take effect with respect to the instalments of such allowances payable for the month of January, nineteen hundred and *thirty-three*, and shall apply to all instalments thereafter becoming payable. 25 30

Miscellaneous.

Government subsidy in aid of Fund.

25. (1) In the month of January, nineteen hundred and thirty-three, the Minister of Finance shall pay into the Fund, out of moneys appropriated from the Consolidated Fund for the purpose, the sum of forty-three thousand pounds, together with such further amount (if any) as may be appropriated by Parliament for the purposes of the Fund. 35 40

(2) For the year commencing on the first day of February, nineteen hundred and thirty-three, and for each year thereafter, the Minister of Finance shall, by monthly

instalments, pay into the Fund, out of moneys appropriated from the Consolidated Fund for the purpose, an amount equal to the total contributions made to the Fund by contributors in each such year. The first such
5 monthly payment shall be made not later than the thirty-first day of March, nineteen hundred and thirty-three.

(3) This section is in substitution for section one hundred and twelve of the principal Act, and that section is hereby accordingly repealed.

Repeal.

10 (4) Section one hundred and eleven of the principal Act is hereby consequentially amended by omitting from subsection two all words after the words "the close of the period".

26. If for the triennial period ending on the thirty-
15 first day of January, nineteen hundred and thirty-three, or for any triennial period thereafter, the net effective rate of interest derived from the investment of the Fund is less than five per centum per annum, the Minister of Finance, on receipt of a certificate from the Actuary
20 appointed under section one hundred and eleven of the principal Act, shall pay into the Fund, out of moneys to be appropriated by Parliament for the purpose, such amount as may, in accordance with such certificate, be required to provide a net effective rate of five per centum
25 per annum.

Rate of interest on investment of Fund guaranteed at 5 per centum per annum.

27. If any question, whether of law or fact, arises as to whether the retirement of a contributor is or has been compulsory, or as to whether his retirement is or has been due to misconduct, the question shall be
30 determined by the Teachers' Superannuation Board and not otherwise, and the decision of that Board shall be
35 final and conclusive.

Decision of Teachers' Superannuation Board to be final in respect of certain matters.
Cf. 1927, No. 27, s. 40

PART III.

THE GOVERNMENT RAILWAYS SUPERANNUATION FUND.

35 28. This Part of this Act shall be read together with and deemed part of Part III of the Government Railways Act, 1926 (hereinafter in this Part referred to as the principal Act).

This Part to be read with Part III of Government Railways Act, 1926.

Increasing rates of contribution to Government Railways Superannuation Fund by persons who became contributors prior to 1st January, 1908.

29. (1) Every person who became a contributor to the Fund prior to the first day of January, nineteen hundred and eight, shall, on and after the commencement of this Act, contribute to the Fund in accordance with section ninety-six of the principal Act, the following percentage of his pay, namely :— 5

(a) Five per centum if his age was not more than thirty years at the time when the first contribution became payable :

(b) Six per centum if his age then exceeded thirty years but did not exceed thirty-five years : 10

(c) Seven per centum if his age then exceeded thirty-five years but did not exceed forty years :

(d) Eight per centum if his age then exceeded forty years, but did not exceed forty-five years : 15

(e) Nine per centum if his age then exceeded forty-five years but did not exceed fifty years :

(f) Ten per centum if his age then exceeded fifty years.

(2) On and after the commencement of this Act paragraphs (a) to (f) of the *last preceding* subsection shall be deemed to be substituted for subparagraphs (i) to (vi) of paragraph (a) of subsection one of section ninety-six of the principal Act, and those subparagraphs shall thereupon be deemed to be repealed. 20 25

Future Retiring-allowances.

30. (1) Subsection one of section one hundred and two of the principal Act is hereby repealed, and the following subsections substituted therefor :—

“(1) Every contributor who satisfies the requirements of the *next succeeding* subsection may at any time retire from the service of the Department at the expiration of three months’ notice of his or her intention so to do, and shall on retirement be entitled to receive from the Fund an annual retiring-allowance for the rest of his or her life computed as follows :— 30 35

For every year of service such contributor shall receive one-sixtieth part of his or her annual rate of pay, and for every fraction of a year of service such contributor shall receive a proportionate part of one-sixtieth of his or her annual rate of pay, but in no case shall the retiring-allowance exceed two-thirds of such annual rate of pay. 40

Variation of benefits to which contributors to Government Railways Superannuation Fund are entitled on their retirement.

“(1A) The requirements referred to in the *last preceding* subsection are as follows:—

5 “(a) In the case of a male contributor, that he has attained the age of sixty-five years, or that, not having attained that age, he has attained the age of sixty years and his length of service is not less than forty years:

10 “(b) In the case of a female contributor, that she has attained the age of sixty years, or that, not having attained that age, she has attained the age of fifty-five years and her length of service is not less than thirty-five years.”

15 (2) Section one hundred and two of the principal Act, as amended by subsection *one* of this section, shall apply with respect to present contributors as well as to future contributors to the Fund.

20 **31.** (1) This section applies to all present contributors as well as to all future contributors, except contributors who at the commencement of this Act are or who there-
after become qualified to receive on retirement a retiring-allowance in accordance with the provisions of section one hundred and two of the principal Act, as amended by the *last preceding* section.

Special provisions as to contributors compulsorily retired otherwise than for misconduct or who voluntarily retire without complying with last preceding section.

25 (2) Every contributor to whom this section applies and who satisfies the requirements of the *next succeeding* subsection shall, on retirement from the service of the Department in any manner hereinafter in this section referred to, be entitled to receive from the Fund for the rest of his or her life an actuarial retiring-allowance.

30 (3) The requirements referred to in the *last preceding* subsection are as follows:—

35 (a) In the case of a male or female contributor who is compulsorily retired for any reason other than misconduct, that the length of service of the contributor is not less than twenty-five years; or, in the alternative, that his or her age is not less than fifty years:

40 (b) In the case of a male contributor who voluntarily retires from the service, that his length of service is not less than forty years and his age is not less than fifty-five years:

45 (c) In the case of a female contributor who voluntarily retires from the service, that her length of service is not less than thirty-five years and her age is not less than fifty years.

Computation of retiring-allowances.

32. (1) For the purpose of computing the retiring-allowance to be granted to a contributor his annual rate of pay shall be deemed to be the average rate of pay received by him during the ten years next preceding his retirement, or if his service has not continued for ten years, then during the period of his service: 5

Provided that where by reason of the age or infirmity of a contributor his rate of pay has been reduced, or he has been transferred to a position inferior to that which he previously occupied, his retiring-allowance shall be computed on the average rate of pay received by him during the ten years next preceding such reduction or transfer, or the ten years next preceding the date of retirement, whichever of such average rates is the greater. 10

Repeal.

(2) This section is in substitution for section one hundred and sixteen of the principal Act, and that section is hereby accordingly repealed. 15

(3) Section one hundred and eighteen of the principal Act is hereby amended by omitting from subsection five the word "three" and substituting the word "ten". 20

Abolition of £300 limit of retiring-allowance.

33. Section one hundred and three of the principal Act is hereby repealed.

Existing Retiring-allowances.

Provisions for review of existing retiring-allowances.

34. (1) Nothing in this section with respect to the recomputation of existing retiring-allowances shall apply to— 25

(a) A retiring-allowance granted to any person on his retirement from the service of the Department on or before the thirty-first day of March, nineteen hundred and twenty-one: 30

(b) Any retiring-allowance the annual rate of which does not exceed *one hundred pounds*.

(2) Except as provided in the *last preceding* subsection, every retiring-allowance in force at the commencement of this Act and payable to a contributor of any of the classes hereinafter specified shall be recomputed on the average rate of pay received by such contributor during the *ten* years immediately preceding his or her retirement, or on the average rate of pay received during the three years ended on the thirty-first day of March, nineteen hundred and twenty-one, whichever of such average rates is the greater, but such retiring-allowance shall not be 40

otherwise affected by this section. The classes of contributors to which this subsection refers are the following:—

- 5 (a) Male contributors whose length of service was not less than forty years or, in the alternative, whose age on retirement was not less than sixty-five years:
- 10 (b) Female contributors whose length of service was not less than thirty years or, in the alternative, whose age on retirement was not less than fifty-five years:
- (c) Contributors who have retired on the ground of being medically unfit for further duty.
- 15 (3) Every person in receipt of a retiring-allowance at the commencement of this Act (not being a retiring-allowance to which subsection *one* or subsection *two* of this section relates) shall receive an actuarial retiring-allowance in lieu thereof.

20 (4) No person shall be entitled by virtue of this section to receive a retiring-allowance of a greater amount than his existing retiring-allowance, and no retiring-allowance shall by the operation of this section be reduced by more than *twenty* per centum thereof, or below an annual rate of *one hundred* pounds.

25 **35.** The reductions (if any) effected in the rates of existing retiring-allowances by reason of their recomputation in accordance with the provisions of the *last preceding* section, or by the substitution of an actuarial retiring-allowance, shall commence to take effect with respect to
30 the instalments of such allowances payable for the month of January, nineteen hundred and *thirty-three*, and shall apply to all instalments thereafter becoming payable.

Date on which reductions in existing retiring-allowances to take effect.

Miscellaneous.

35 **36.** For the year commencing on the first day of April, nineteen hundred and *thirty-three*, and for each year thereafter, there shall be paid, by monthly instalments, out of moneys appropriated from the Working Railways Account for the purpose, an amount not less than the total contributions made to the Fund by
40 contributors in each such year. The first such monthly payment shall be made not later than the *thirty-first* day of May, nineteen hundred and *thirty-three*.

Subsidy in aid of Fund.

- Triennial examination of Fund by Actuary. 37. (1) For the triennial period ending on the thirty-first day of March, nineteen hundred and thirty-three, and for each triennial period thereafter, an examination of the Fund shall be made by an Actuary appointed by the Governor-General. 5
- (2) The Actuary shall set forth the result of such examination in a report, which shall be so prepared as to show the state of the Fund at the close of the period.
- (3) The Board shall cause such report to be printed and a copy thereof to be supplied to each contributor. 10
- (4) A copy of such report shall, within ten days after it is received, be laid before Parliament if then sitting, or if not, then within ten days after the commencement of the next ensuing session.
- Repeal. (5) Section one hundred and nineteen of the principal Act, and subsection two of section sixteen of the Government Railways Amendment Act, 1927, are hereby repealed. 15
- Rate of interest on investment of Fund guaranteed at 5 per centum per annum. 38. If for the triennial period ending on the thirty-first day of March, nineteen hundred and thirty-three, or for any triennial period thereafter, the Actuary appointed under the *last preceding* section certifies that the net effective rate of interest derived from the investment of the Fund is less than five per centum per annum, there shall be paid into the Fund, out of 25 moneys to be appropriated by Parliament for the purpose out of the Working Railways Account, such amount as may, in accordance with such certificate, be required to provide a net effective rate of five per centum per annum. 30
- Repeal. 39. Section one hundred and twenty-five of the principal Act is hereby repealed.
- Decision of Government Railways Superannuation Fund Board to be final in respect of certain matters. Cf. 1927, No. 27, s. 40. 40. If any question, whether of law or fact, arises as to whether the retirement of a contributor is or has been compulsory, or as to whether his retirement is or has been due to misconduct, the question shall be determined by the Government Railways Superannuation Fund Board and not otherwise, and the decision of that Board shall be final and conclusive. 35