

JOINT FAMILY HOMES AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends the Joint Family Homes Act 1964 by:

- (a) Increasing the value of the protection from bankruptcy or similar action which is afforded by a joint family home settlement; and
- (b) Increasing the estate duty exemption in respect of a joint family home.

In each case a formula has been used to avoid having to amend the principal Act whenever increases in home prices necessitate a revision.

Mr Gair

JOINT FAMILY HOMES AMENDMENT

ANALYSIS

Title	2. Rights of creditors				
1. Short Title	3. Exemption from estate duty increased				

A BILL INTITULED

An Act to amend the Joint Family Homes Act 1964

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

1. Short Title—This Act may be cited as the Joint Family Homes Amendment Act 1974 and shall be read together with and deemed part of the Joint Family Homes Act 1964 (hereinafter referred to as the principal Act).

10 **2. Rights of creditors**—(1) The principal Act (as amended by section 4 of the Joint Family Homes Amendment Act 1968) is hereby further amended—

15 (a) By omitting from the proviso to paragraph (a) of section 16 (1) the words “eight thousand dollars”, and substituting the words “the designated sum”:

(b) By omitting from the proviso to paragraph (b) of section 16 (1) the words “eight thousand dollars” and substituting the words “of the designated sum”:

(c) By omitting from paragraph (a) of section 16 (2) the words "eight thousand dollars", and substituting the words "the designated sum":

(d) By omitting from paragraph (c) of section 12 (1) the words "sum of eight thousand dollars" and substituting the words "designated sum". 5

(2) The principal Act is hereby further amended by adding the following subsection to section 16:

"(5) For the purposes of this section, and for section 17 (1) of this Act, the expression 'designated sum' means \$10,000 together with an amount calculated in accordance with the following formula: 10

$$\$10,000 \times a$$

where—

a is the percentage increase in the urban property price index, as compiled from time to time by the Government Statistician and published twice yearly in the *Monthly Abstract of Statistics*, since the date of the commencement of this subsection." 15

3. Exemption from estate duty increased—Section 22 of the principal Act (as amended by section 3 (1) of the Joint Family Homes Amendment Act 1972) is hereby amended by repealing subsection (1) and inserting the following subsection: 20

"(1) Where any joint tenant of a joint family home dies in the lifetime of the other joint tenant the value of his or her beneficial interest in the settled property shall be deemed not to form part of the dutiable estate of the deceased joint tenant for the purposes of the Estate and Gift Duties Act 1968 unless it exceeds \$20,000 together with an amount calculated in accordance with the following formula: 25 30

$$\$20,000 \times a$$

where—

a is the percentage increase in the urban property price index, as compiled from time to time by the Government Statistician and published twice yearly in the *Monthly Abstract of Statistics*, since the date of the commencement of this subsection; in which case it shall be deemed not to form part of that dutiable estate to the extent of that amount." 35 40