

## RETIREMENT INCOME BILL

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### EXPLANATORY NOTE

THIS Bill implements various provisions of the Accord on Retirement Income Policies ("the Accord") entered into on 25 August 1993 by the Alliance, Labour, and National Parliamentary Parties.

*Part I* provides for the appointment of an independent Retirement Commissioner.

*Part II* provides for periodic reports on retirement income policies by a group comprising representatives of non-Government sectors, officials, and the Retirement Commissioner.

*Part III* amends the Social Welfare (Transitional Provisions) Act 1990 and makes consequential amendments to the Social Security Act 1964 to give effect to those provisions of the Accord that relate to New Zealand superannuation and the transitional retirement benefit. It is intended that this Part be enacted as a separate Act.

*Part IV* makes consequential amendments to the Income Tax Act 1976. It is intended that this Part be enacted as a separate Act.

#### *Clause by Clause Analysis*

*Clause 1* relates to the Short Title and commencement of the Bill. The Bill comes into force on 1 April 1994.

*Clause 2* defines certain terms used in the Bill.

*Clause 3* provides that the Bill binds the Crown.

*Clause 4* refers to the Accord on Retirement Income Policies (the text of which is set out in the *First Schedule* to the Bill).

### PART I

#### RETIREMENT COMMISSIONER

*Clause 5: Subclause (1)* provides for the appointment of a Retirement Commissioner.

*Subclause (2)* provides that the Retirement Commissioner is to be appointed by the Minister responsible for the administration of the Bill.

*Subclause (3)* requires the Minister to have regard, in making an appointment, to clause 6.1.2 (b) of the Accord. That clause provides that the Minister may make an appointment only after consultation with the parties to the Accord.

*Subclause (4)* provides, for administration and financial reasons, that the Retirement Commissioner is to be a corporation sole.

*Functions and Powers of Retirement Commissioner*

*Clauses 6 and 7* set out the functions and powers of the Retirement Commissioner.

*Clause 8* provides that the Retirement Commissioner shall have complete discretion in the performance and exercise of his or her functions and powers and, in particular, may comment publicly on any matter relating to his or her functions and deliver to the Minister a report on any retirement income issues that he or she considers the Minister should be advised of. The Retirement Commissioner is to deliver a copy of any such report to a representative of each Parliamentary Party that is a party to the Accord.

*Terms and Conditions of Appointment of Retirement Commissioner*

*Clause 9* provides that any person who holds office as the Retirement Commissioner shall not be capable of being a member of Parliament, and shall not, without the approval of the Minister in each particular case, hold any office of trust or profit (other than his or her office as Retirement Commissioner) or engage in any occupation for reward outside the duties of the Retirement Commissioner's office.

*Clause 10* provides that the first Retirement Commissioner shall be appointed for a term ending on 31 December 1997. In every other case the Retirement Commissioner shall be appointed for a term ending with the laying before Parliament of the first periodic report on retirement income policies prepared following his or her appointment. A person who has been appointed Retirement Commissioner may be reappointed to that office.

*Clause 11* provides that a Retirement Commissioner may resign that office by written notice to the Minister, and that a Retirement Commissioner may be removed from office by the Minister on certain grounds.

*Clause 12* provides that the salary and allowances of the Retirement Commissioner shall be determined by the Higher Salaries Commission.

*Accountability*

*Clause 13* provides that the Retirement Commissioner shall be a Crown entity for the purposes of the Public Finance Act 1989.

*Clause 14* requires the Retirement Commissioner to deliver an annual report to the Minister who is required to lay a copy of the report before the House of Representatives.

The Retirement Commissioner is to deliver a copy of the report to a representative of each Parliamentary Party that is a party to the Accord.

*Clause 15* provides that the annual financial statements of the Retirement Commissioner shall be audited by the Audit Office.

*Miscellaneous Provisions*

*Clause 16* enables the Retirement Commissioner to delegate all or any of his or her functions or powers.

*Clause 17* provides protection from liability for the Retirement Commissioner and his or her employees.

*Clause 18* provides that the provisions set out in the Second Schedule have effect in relation to the Retirement Commissioner and the affairs of the Retirement Commissioner.

*Clauses 19 to 21* make related amendments to the Higher Salaries Commission Act 1977, the Ombudsmen Act 1975, and the Public Finance Act 1989.

## PART II

### PERIODIC REPORTS ON RETIREMENT INCOME POLICIES

*Clause 22* provides for reports on retirement income policies to be prepared by 31 December 1997 and at six-yearly intervals thereafter.

*Clause 23: Subclause (1)* provides that the Minister shall appoint the persons who are to prepare a periodic report and shall specify the aspects of retirement income policies that the report is required to address.

*Subclause (2)* provides that one of the persons appointed is to be appointed as chairperson.

*Subclause (3)* provides that the Minister shall, on each occasion on which the Minister exercises any of the powers conferred on the Minister by *subclause (1)* or *subclause (2)*, have regard to clauses 6.2.2 and 6.2.3 of the Accord. Those clauses provide that the Minister may exercise those powers only after consultation with the parties to the Accord. Clause 6.2.2 of the Accord also provides that the persons appointed to prepare a periodic report shall comprise representatives of non-Government sectors, officials, and the Retirement Commissioner.

*Subclause (4)* specifies the information that the first periodic report must include.

*Clause 24: Subclause (1)* requires the Minister to lay before the House of Representatives a copy of every notice appointing persons to prepare a periodic report and specifying the aspects of the Government's retirement policies to be addressed.

*Subclause (2)* provides that the chairperson shall, as soon as practicable after the completion of the periodic report,—

- (a) Deliver that report to the Minister; and
- (b) Deliver to a representative of each of the Parliamentary Parties that is a party to the Accord, a copy of that report.

*Subclause (3)* requires the Minister to lay a copy of the periodic report before the House of Representatives.

## PART III

### AMENDMENTS TO SOCIAL WELFARE (TRANSITIONAL PROVISIONS) ACT 1990

*Clause 25: Subclause (1)* provides that this Part of the Bill, and the *Third and Fourth Schedules* to the Bill, are to form part of the Social Welfare (Transitional Provisions) Act 1990.

*Subclause (2)* provides that this Part of the Bill, and the *Third and Fourth Schedules* to the Bill, are to come into force on 1 April 1994.

*Clause 26* changes the name of national superannuation to New Zealand superannuation.

*Clause 27* provides for a transitional retirement benefit. The provisions that apply in relation to the transitional retirement benefit provide that, subject to the provisions of the Bill and of the Social Security Act 1964, the transitional retirement benefit shall—

- (a) Be available to any person who meets the residential qualifications for New Zealand superannuation and who was born before 1 July 1936 and is aged 60 years or more, for a maximum period of 3 years immediately before that person becomes entitled to receive New Zealand superannuation; and
- (b) Be available to each such person who was born on or after 1 July 1936 and before 1 April 1939 and who is aged 60 years or more, for a maximum

period of 2 years 9 months (which reduces progressively in 3-month steps) immediately before the person becomes entitled to receive New Zealand superannuation; and

- (c) Not be payable to any person who is entitled to receive New Zealand superannuation or a veteran's pension or whose spouse is so entitled; and
- (d) Be \$166.04 after tax per week for a single person and \$276.74 after tax per week for a couple, adjusted for any general benefit rate adjustments having effect after 31 March 1994.

*Clause 28* amends the section that provides for the annual adjustment of New Zealand superannuation and veterans' pensions in accordance with any movement upwards in the consumers price index. The amendments provide that any such adjustment shall be such that the weekly amount payable (after the deduction of standard tax) is,—

- (a) In the case of a married couple, not less than 65 percent or more than 72.5 percent of the average ordinary time weekly earnings; and
- (b) In the case of a single person who is living alone, 65 percent of the weekly amount of New Zealand superannuation (after the deduction of standard tax) payable to a married couple; and
- (c) In the case of a single person who is not living alone, 60 percent of the weekly amount of New Zealand superannuation (after the deduction of standard tax) payable to a married couple.

*Clause 29* makes consequential amendments to the Social Security Act 1964. The new *section 3 (3)* of that Act provides that, beginning on 1 April 1994, a person who receives a life insurance annuity or a pension under a private superannuation scheme shall have only 50 percent of that annuity or pension treated as income for the purposes of the Social Welfare (Transitional Provisions) Act 1990 if—

- (a) That person meets the residential qualification for New Zealand superannuation; and
- (b) That person is aged 60 years or more and whose spouse, if younger than that person, is aged 60 years or more; and
- (c) That person received payments of the pension or annuity—
  - (i) Before 1 April 1992; and
  - (ii) When that person was not less than 55 years nor more than 59 years and when that person's spouse, if younger than that person, was aged 55 years or more.

*Clause 30* effects consequential repeals.

#### PART IV

##### AMENDMENTS TO INCOME TAX ACT 1976

*Clause 31: Subclause (1)* provides that this Part of the Bill is to form part of the Income Tax Act 1976.

*Subclause (2)* provides that this Part of the Bill is to come into force on 1 April 1994.

*Clauses 32 and 33* make consequential amendments to the Income Tax Act 1976.

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Hon. Wyatt Creech

## RETIREMENT INCOME

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## A BILL INTITULED

**An Act to provide, in accordance with an Accord on Retirement Income Policies entered into on the 25th day of August 1993 by the Alliance, Labour, and National Parliamentary Parties,—** 5

- (a) For the appointment of an independent Retirement Commissioner: 5
- (b) For the making of periodic reports on the retirement income policies being implemented by the Government in New Zealand: 10
- (c) For adjustments to the level of New Zealand superannuation (formerly known as national superannuation) to be made within a range of levels: 15
- (d) For transitional provisions relating to the raising of the age of eligibility for New Zealand superannuation: 20
- (e) For other amendments to legislation relating to New Zealand superannuation 25

WHEREAS—

- (a) The Alliance, Labour, and National Parliamentary Parties, recognising both—
  - (i) The great significance of retirement income policies to all New Zealanders; and 30
  - (ii) The importance of achieving, to the greatest extent possible, consensus and certainty on the retirement income policies to be implemented—
    - established a Parliamentary Group consisting of their representatives to consider the final report (issued in December 1992) of the Task Force on Private Provision for Retirement, and to make recommendations as to the retirement income policies that should be implemented in New Zealand; 35
    - and 40
- (b) Those Parliamentary Parties entered into an Accord on Retirement Income Policies (the text of which is set out in the **First Schedule** to this Act), which sets out specific policies and other matters that have been considered by the Parliamentary Group and agreed by the Parliamentary Parties; and 45
- (c) Legislation is necessary to implement some of the policies set out in the Accord:

BE IT THEREFORE ENACTED by the Parliament of New Zealand as follows:

**1. Short Title and commencement**—(1) This Act may be cited as the Retirement Income Act 1993.

5 (2) This Act shall come into force on the 1st day of April 1994.

**2. Interpretation**—In this Act, unless the context otherwise requires,—

10 The “Accord” has the meaning given to that term by **section 4** of this Act:

“Crown” means Her Majesty the Queen in right of New Zealand:

“Government” means the Executive Government of New Zealand:

15 “Minister” means the Minister of the Crown who, with the authority of the Prime Minister, is responsible for the administration of this Act:

“Periodic report” has the meaning given to that term by **section 22** of this Act:

20 “Retirement Commissioner” means the Retirement Commissioner appointed under **section 5** of this Act.

**3. Act to bind the Crown**—This Act binds the Crown.

25 **4. The Accord**—The Accord on Retirement Income Policies entered into on the 25th day of August 1993 by the Alliance, Labour, and National Parliamentary Parties (the text of which is set out in the **First Schedule** to this Act) is in this Act called “the Accord”.

## PART I

### RETIREMENT COMMISSIONER

30 **5. Retirement Commissioner**—(1) There shall be a Commissioner called the Retirement Commissioner.

(2) The Retirement Commissioner shall be appointed by the Minister.

35 (3) The Minister shall, on each occasion on which the Minister makes an appointment under **subsection (2)** of this section, have regard to clause 6.1.2 (b) of the Accord.

(4) The Retirement Commissioner shall be a corporation sole with perpetual succession and a seal of office, and shall have and may exercise all the rights, powers, and privileges, and

may incur all the liabilities and obligations, of a natural person of full age and capacity.

*Functions and Powers of Retirement Commissioner*

- 6. Functions**—The functions of the Retirement Commissioner are as follows: 5
- (a) To develop and promote methods of improving the effectiveness of the retirement income policies from time to time implemented by the Government in New Zealand, which function shall include promoting education about retirement income issues and publishing information about such issues: 10
  - (b) To monitor the effects of retirement income policies that are being implemented in New Zealand:
  - (c) To advise the Minister of the tasks that need to be undertaken, and the information that needs to be collected, to enable the preparation of each periodic report under **section 22** of this Act and to monitor the undertaking of those tasks: 15
  - (d) To advise on retirement income issues, when requested to do so by the Minister: 20
  - (e) To monitor the effectiveness of persons (whether referred to as ombudsmen or by any other term) who have been appointed (other than under statutory authority) to consider complaints and disputes about savings and investments; and to consider any issues addressed to the Retirement Commissioner by any such person and, if appropriate, to make recommendations to any person: 25
  - (f) To collect and publish information for the purpose of enabling the fulfilment of any of the functions referred to in this section: 30
  - (g) To perform such other functions as are conferred on the Retirement Commissioner by this Act or any other enactment.

**7. Powers**—The Retirement Commissioner shall have all such powers as are reasonably necessary or expedient to enable the Retirement Commissioner to carry out his or her functions. 35

**8. Discretion in relation to performance and exercise of functions and powers**—(1) Subject to the provisions of this Act and of any other enactment, the Retirement Commissioner shall have complete discretion in the performance or exercise, 40



and the manner of the performance or exercise, of any function or power of the Retirement Commissioner.

5 (2) Without limiting subsection (1) of this section, the Retirement Commissioner may at any time, if he or she considers it appropriate,—

(a) Comment publicly on any matter relating to his or her functions; or

10 (b) Deliver to the Minister a report in writing on any retirement income issues that he or she considers the Minister should be advised of.

(3) The Retirement Commissioner shall, forthwith after delivering a report to the Minister under subsection (2) (b) of this section, deliver a copy of that report to a representative of each Parliamentary Party that is a party to the Accord.

15 (4) The Minister shall, as soon as practicable after receiving a report under subsection (2) (b) of this section, lay a copy of that report before the House of Representatives.

*Terms and Conditions of Appointment of Retirement Commissioner*

**9. Retirement Commissioner to hold no other office—**

20 Any person who holds office as the Retirement Commissioner shall not be capable of being a member of Parliament, and shall not, without the approval of the Minister in each particular case, hold any office of trust or profit (other than his or her office as Retirement Commissioner) or engage in any  
25 occupation for reward outside the duties of the Retirement Commissioner's office.

**10. Term of office—**(1) The first Retirement Commissioner appointed under this Act shall be appointed for a term ending with the 31st day of December 1997.

30 (2) In every other case the Retirement Commissioner shall be appointed for a term that ends with the day on which a copy of the first periodic report prepared following his or her appointment is laid before the House of Representatives under section 24 (3) of this Act.

35 (3) A person who has been appointed Retirement Commissioner may be re-appointed to that office.

**11. Vacation of office—**(1) The Retirement Commissioner may at any time resign the office of Retirement Commissioner by notice in writing to the Minister.

40 (2) The Retirement Commissioner may at any time be removed from office by the Minister on the grounds of

disability affecting performance of duty, bankruptcy, neglect of duty, or misconduct, proved to the satisfaction of the Minister.

**12. Salary and allowances**—(1) There shall be paid to the Retirement Commissioner—

(a) A salary at such rate as the Higher Salaries Commission 5  
from time to time determines; and

(b) Such allowances as are from time to time determined by  
the Higher Salaries Commission.

(2) Subject to the Higher Salaries Commission Act 1977, any  
determination made under **subsection (1)** of this section may be 10  
made so as to come into force on a date to be specified for that  
purpose in the determination, being the date of the making of  
the determination, or any other date, whether before or after  
the date of the making of the determination.

(3) Every determination made under **subsection (1)** of this 15  
section in respect of which no date is specified as provided in  
**subsection (2)** of this section shall come into force on the date of  
the making of the determination.

(4) There shall also be paid to the Retirement Commissioner,  
in respect of time spent in travelling in the exercise of the 20  
Retirement Commissioner's functions, travelling allowances  
and expenses in accordance with the Fees and Travelling  
Allowances Act 1951, and the provisions of that Act shall apply  
accordingly as if the Retirement Commissioner were a member 25  
of a statutory Board and the travelling were in the service of  
the statutory Board.

#### *Accountability*

**13. Crown entity**—(1) The Retirement Commissioner shall  
be a Crown entity for the purposes of the Public Finance Act 30  
1989.

(2) For the purposes of the Public Finance Act 1989, the  
Minister shall be the responsible Minister in relation to the  
Retirement Commissioner.

**14. Annual reports**—(1) The Retirement Commissioner  
shall, as soon as practicable after the end of each financial year, 35  
deliver to the Minister a report on the performance of the  
Retirement Commissioner's functions under this Act during  
that year.

(2) The Retirement Commissioner shall, forthwith after  
delivering a report to the Minister under **subsection (1)** of this 40  
section, deliver a copy of that report to a representative of each  
Parliamentary Party that is a party to the Accord.

(3) The Minister shall lay a copy of the annual report of the Retirement Commissioner before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.

5 (4) Nothing in this section limits the right of the Retirement Commissioner to report to the Minister at any time under section 8 (2) (b) of this Act.

10 **15. Audit**—The annual financial statements of the Retirement Commissioner shall be audited by the Audit Office, which, for that purpose, shall have and may exercise all such powers as it has under the Public Finance Act 1977 in respect of public money and stores.

*Miscellaneous Provisions*

15 **16. Delegation by Retirement Commissioner**—(1) The Retirement Commissioner may from time to time delegate to any person all or any of the Retirement Commissioner's functions or powers.

(2) Every delegation under this section shall be in writing.

(3) Any delegation under this section—

- 20 (a) Shall be revocable in writing at will; and  
(b) Shall not prevent the performance of any function or the exercise of any power, as the case may be, by the Retirement Commissioner; and  
(c) May be made to a specified person, or to persons who are for the time being members of a specified class; and  
25 (d) May be made subject to such restrictions and conditions as the Retirement Commissioner thinks fit; and  
(e) May be made either generally or in relation to any particular case or class of cases.

30 (4) A delegate acting under any delegation under this section may, unless otherwise provided in the delegation, perform the function or exercise the power, as the case may be, in the same manner and with the same effect as if it had been conferred directly on that person by this Act.

35 (5) Any person purporting to act under any delegation under this section shall, when required to do so, produce evidence of that person's authority.

40 **17. Protection from liability**—(1) This section applies to the Retirement Commissioner in his or her personal capacity and to every person employed or engaged by the Retirement Commissioner in connection with the performance or exercise of the Retirement Commissioner's functions or powers.

(2) No person to whom this section applies shall be liable for any liability of the Retirement Commissioner for any act done or omitted by the Retirement Commissioner, or by any employee, contractor, delegate, or other person assisting the Retirement Commissioner, in good faith in performing or exercising or with the intention of performing or exercising the Retirement Commissioner's functions or powers. 5

**18. Further provisions relating to Retirement Commissioner**—The provisions of the **Second Schedule** to this Act shall have effect in relation to the Retirement Commissioner and the affairs of the Retirement Commissioner. 10

*Amendments to Other Acts*

**19. Amendment to Higher Salaries Commission Act 1977**—The Fourth Schedule to the Higher Salaries Commission Act 1977 (as substituted by section 14 of the Higher Salaries Commission Amendment Act 1988) is hereby amended by inserting, after the item relating to the Privacy Commissioner, the following item: 15

“The Retirement Commissioner.”

**20. Amendment to Ombudsmen Act 1975**—The Ombudsmen Act 1975 is hereby amended by inserting in Part II of the First Schedule, in its appropriate alphabetical order, the following item: 20

“The Retirement Commissioner.”

**21. Amendment to Public Finance Act 1989**—The Public Finance Act 1989 is hereby amended by inserting in the Fourth, Fifth, and Seventh Schedules (as added by section 41 of the Public Finance Act 1992), in each case in its appropriate alphabetical order, the following item: 25

“The Retirement Commissioner.” 30

PART II

PERIODIC REPORTS ON RETIREMENT INCOME POLICIES

**22. Periodic reports**—A report on the retirement income policies being implemented by the Government in New Zealand (in this Act called a “periodic report”) shall be prepared by the 31st day of December 1997 and at 6-yearly intervals thereafter. 35

**23. Preparation and terms of periodic reports**—(1) The Minister shall, by notice in writing,—

- (a) Appoint the persons who are to prepare a periodic report; and
- 5 (b) Specify the aspects of retirement income policies being implemented by the Government in New Zealand that the periodic report is required to address.

(2) One of the persons appointed under **subsection (1) (a)** of this section shall be appointed by the Minister as chairperson.

- 10 (3) The Minister shall, on each occasion on which the Minister exercises any of the powers conferred on the Minister by **subsection (1)** or **subsection (2)** of this section, have regard to clauses 6.2.2 and 6.2.3 of the Accord.

- 15 (4) Without limiting **subsection (1)** of this section, the periodic report to be prepared by the 31st day of December 1997 shall include—

- (a) A description of the trends, and the likely future developments, that will affect, or will be likely to affect, retirement income policies; and
- 20 (b) A commentary on whether the emerging trends of public and private provision of retirement income are appropriate in terms of adequacy, efficiency, equity, and sustainability; and
- 25 (c) An identification of areas of risk or unsatisfactory performance in relation to the provision of retirement income; and
- (d) Suggestions for the adjustment of any of the retirement income policies (where, in the opinion of those preparing the periodic report, such adjustment is desirable).
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**24. Delivery and tabling of notices and periodic reports**—(1) The Minister shall, as soon as practicable after giving a notice under **section 23 (1)** of this Act, lay a copy of the notice before the House of Representatives.

- 35 (2) The chairperson appointed under **section 23 (2)** of this Act shall, as soon as practicable after the completion of the periodic report,—

- (a) Deliver that report to the Minister; and
- 40 (b) Deliver to a representative of each of the Parliamentary Parties that is a party to the Accord, a copy of that report.

(3) The Minister shall, as soon as practicable after receiving a periodic report, lay a copy of the report before the House of Representatives.

## PART III

AMENDMENTS TO SOCIAL WELFARE (TRANSITIONAL PROVISIONS)  
ACT 1990

**25. Part to be read with Social Welfare (Transitional Provisions) Act 1990**—(1) **This Part** of this Act, and the **Third and Fourth Schedules** to this Act, shall be read together with and deemed part of the Social Welfare (Transitional Provisions) Act 1990\* (in **this Part** of this Act referred to as the principal Act). 5

(2) **This Part** of this Act, and the **Third and Fourth Schedules** to this Act, shall come into force on the 1st day of April 1994. 10

\*1990, No. 26

Amendments: 1990, No. 75; 1990, No. 133; 1991, No. 4; 1991, No. 77; 1991, No. 123; 1993, No. 58

**26. New Zealand superannuation**—(1) Unless in any case the context otherwise requires, and subject to the provisions of **this Part** of this Act and of **Part IV** of this Act, every reference in the principal Act or in any other enactment or in any regulations, Order in Council, rule, bylaw, or other document whatever to guaranteed retirement income or national superannuation or to a guaranteed retirement income earner or a national superannuitant shall be read, respectively, as a reference to New Zealand superannuation or to a New Zealand superannuitant. 15 20

(2) Section 2 of the Social Welfare (Transitional Provisions) Amendment Act (No. 2) 1991 is hereby consequentially repealed.

**27. Transitional retirement benefit**—(1) The principal Act is hereby amended by inserting, after section 7, the following heading and section: 25

*“Transitional Retirement Benefit*

“7A. (1) Subject to the provisions of this Act and of the Social Security Act 1964, every person shall be entitled to receive a transitional retirement benefit— 30

“(a) Who meets the residential qualifications for New Zealand superannuation set out in section 4 of this Act; and

“(b) Who is not entitled to New Zealand superannuation because he or she has not yet attained the appropriate age specified in section 3 of this Act; and 35

“(c) Who is not entitled to receive a veteran’s pension; and

- “(d) Whose spouse is not entitled to New Zealand superannuation or a veteran’s pension in his or her own right; and
- 5 “(e) Who attains the appropriate age specified in **subsection (2)** of this section.
- “(2) A person attains the appropriate age for the purposes of **subsection (1)** of this section when he or she attains—
- “(a) The age of 60 years, if he or she was born before the 1st day of July 1934:
- 10 “(b) The age of 60 years and 3 months, if he or she was born on or after the 1st day of July 1934 and before the 1st day of October 1934:
- “(c) The age of 60 years and 6 months, if he or she was born on or after the 1st day of October 1934 and before the 1st day of January 1935:
- 15 “(d) The age of 60 years and 9 months, if he or she was born on or after the 1st day of January 1935 and before the 1st day of April 1935:
- “(e) The age of 61 years, if he or she was born on or after the 1st day of April 1935 and before the 1st day of July 1935:
- 20 “(f) The age of 61 years and 3 months, if he or she was born on or after the 1st day of July 1935 and before the 1st day of October 1935:
- 25 “(g) The age of 61 years and 6 months, if he or she was born on or after the 1st day of October 1935 and before the 1st day of January 1936:
- “(h) The age of 61 years and 9 months, if he or she was born on or after the 1st day of January 1936 and before the 1st day of April 1936:
- 30 “(i) The age of 62 years, if he or she was born on or after the 1st day of April 1936 and before the 1st day of July 1936:
- “(j) The age of 62 years and 3 months, if he or she was born on or after the 1st day of July 1936 and before the 1st day of October 1936:
- 35 “(k) The age of 62 years and 6 months, if he or she was born on or after the 1st day of October 1936 and before the 1st day of January 1937:
- 40 “(l) The age of 62 years and 9 months, if he or she was born on or after the 1st day of January 1937 and before the 1st day of April 1937:
- “(m) The age of 63 years, if he or she was born on or after the 1st day of April 1937 and before the 1st day of July 1937:
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- “(n) The age of 63 years and 3 months, if he or she was born on or after the 1st day of July 1937 and before the 1st day of October 1937:
- “(o) The age of 63 years and 6 months, if he or she was born on or after the 1st day of October 1937 and before the 1st day of January 1938: 5
- “(p) The age of 63 years and 9 months, if he or she was born on or after the 1st day of January 1938 and before the 1st day of April 1938:
- “(q) The age of 64 years, if he or she was born on or after the 1st day of April 1938 and before the 1st day of July 1938: 10
- “(r) The age of 64 years and 3 months, if he or she was born on or after the 1st day of July 1938 and before the 1st day of October 1938: 15
- “(s) The age of 64 years and 6 months, if he or she was born on or after the 1st day of October 1938 and before the 1st day of January 1939:
- “(t) The age of 64 years and 9 months, if he or she was born on or after the 1st day of January 1939 and before the 1st day of April 1939. 20
- “(3) Subject to this Act and to the Social Security Act 1964, a person entitled to receive a transitional retirement benefit shall cease to be entitled to receive that benefit on the date on which that person becomes entitled to receive New Zealand superannuation or a veteran’s pension under this Act (whether in his or her own right or as a result of an election made under section 6 or section 11 of this Act). 25
- “(4) Every transitional retirement benefit shall be paid at the appropriate rate specified in the **Fourth Schedule** to this Act. 30
- “(5) In this section—
- “(a) 3 months equals 13 weeks; and
- “(b) 6 months equals 26 weeks; and
- “(c) 9 months equals 39 weeks.”
- (2) The principal Act is hereby amended by adding the **Fourth Schedule** set out in the **Third Schedule** to this Act. 35
- (3) **Section 7A** of the principal Act (as inserted by **subsection (1)** of this section) and the **Fourth Schedule** to the principal Act (as added by **subsection (2)** of this section), shall be deemed to be repealed on the **31st day of March 2004**. 40

**28. Annual adjustment of rates of New Zealand superannuation and veterans’ pensions**—(1) The principal Act is hereby amended by repealing section 13A (as inserted by section 2 (1) of the Social Welfare (Transitional Provisions)



Amendment Act (No. 3) 1991), and substituting the following section:

“13A. (1) In this section—

5 “‘C.P.I.’ means the consumers price index—all groups published by the Department of Statistics:

“‘Earner premium’ means the premium payable, under section 114 of the Accident Rehabilitation and Compensation Insurance Act 1992, by every earner:

10 “‘Standard tax’ means the amount of tax reckoned on a weekly basis that would be deductible in accordance with the tax code ‘G’ specified in section 344 of the Income Tax Act 1976.

““(2) Subject to **subsection (3)** of this section, the rates of New Zealand superannuation and veterans’ pensions specified in paragraphs (a), (b), and (c) of clause 1 and paragraphs (b) and (d) of clause 2 of the First Schedule to this Act shall be adjusted, by Order in Council, as at the 1st day of April each year so that in each case the new rate (after the deduction of standard tax) is the equivalent of the then existing rate (after the deduction of standard tax) adjusted by any percentage movement upwards in the C.P.I. between the C.P.I. for the quarter ended with the 31st day of December 1 year before the immediately preceding 31st day of December and the C.P.I. for the quarter ended with the immediately preceding 31st day of December.

25 ““(3) Every Order in Council made under **subsection (2)** of this section shall adjust the annual rates of New Zealand superannuation and veteran’s pension—

30 ““(a) So that the weekly amount (after the deduction of standard tax) payable to a married couple, both of whom are qualified to receive New Zealand superannuation or a veteran’s pension, is not less than 65 percent or more than 72.5 percent of the average ordinary time weekly earnings (males and females combined) as determined by the last Quarterly Employment Survey of wages published by the Department of Statistics before the 1st day of March in each year (after the deduction of standard tax and the earner premium payable on those earnings):

40 ““(b) So that the weekly amount (after the deduction of standard tax) payable to a single person who is living alone (within the meaning of section 18A of this Act) is 65 percent of the weekly amount of New Zealand superannuation or veteran’s pension (after the deduction of standard tax) payable to a married

45

couple, both of whom are qualified to receive New Zealand superannuation or a veteran's pension:

“(c) So that the weekly amount (after the deduction of standard tax) payable to a single person who is not living alone (within the meaning of section 18A of this Act) is 60 percent of the weekly amount of New Zealand superannuation or veteran's pension (after the deduction of standard tax) payable to a married couple, both of whom are qualified to receive New Zealand superannuation or a veteran's pension: 5

“(d) So that the rates of New Zealand superannuation and veteran's pensions specified in paragraphs (b) and (d) of clause 2 of the First Schedule to this Act preserve their proportional relationships (after the deduction of standard tax) to the rates specified in paragraphs (a), (b), and (c) of clause 1 of that Schedule. 10

“(4) The provisions of subsections (3) to (6) of section 61H of the Social Security Act 1964 shall apply to every Order in Council made under **subsection (2)** of this section as if that Order in Council were made under that section. 20

“(5) Every Order in Council made under **subsection (2)** of this section shall come into force or be deemed to come into force on the 1st day of April of the calendar year in which it is made, and shall apply in respect of New Zealand superannuation and veterans' pensions payable on and after that date.” 25

(2) Section 2 of the Social Welfare (Transitional Provisions) Amendment Act (No. 3) 1991 is hereby consequentially repealed.

**29. Amendments to Social Security Act 1964**—The Social Security Act 1964 is hereby amended in the manner indicated in the **Fourth Schedule** to this Act. 30

**30. Repeals**—The following enactments are hereby consequentially repealed:

(a) Section 15 (1) of the Department of Social Welfare Act 1971: 35

(b) Section 2 of the Social Security Amendment Act 1984:

(c) Section 2 (3) (a) of the Social Security Amendment Act 1987:

(d) Subsections (7) and (10) (a) of section 14 of the Social Welfare (Transitional Provisions) Act 1990: 40

(e) Section 24 (2) of the Social Security Amendment Act 1991:

- (f) Paragraphs (c) and (d) of section 5 (3) and subsections (1) to (3) of section 12 of the Social Security Amendment Act (No. 3) 1993.

## PART IV

5

## AMENDMENTS TO INCOME TAX ACT 1976

**31. Part to be read with Income Tax Act 1976**—(1) This Part of this Act shall be read together with and deemed part of the Income Tax Act 1976\* (in this Part referred to as the principal Act).

10 (2) This Part of this Act shall come into force on the 1st day of April 1994.

**32. Interpretation**—(1) Section 2 of the principal Act is hereby amended—

15 (a) By omitting from paragraph (d) of the definition of the term “employer” (as substituted by section 2 (1) of the Income Tax Amendment Act (No. 6) 1991) the words “national superannuation”, and substituting the words “New Zealand superannuation”:

20 (b) By inserting in the definition of the term “income-tested benefit” (as inserted by section 2 (2) of the Income Tax Amendment Act (No. 2) 1986), after the expression “Social Security Act 1964”, the words “; and includes a transitional retirement benefit payable under Part I of the Social Welfare (Transitional Provisions) Act 1990.

25 (2) Section 2 of the principal Act is hereby further amended by repealing the definitions of the terms “national superannuation” (as inserted by section 2 (5) of the Income Tax Amendment Act (No. 5) 1991), “national superannuitant” (as so inserted), and “national superannuitant surcharge” (as inserted by section 2 (4) of the Income Tax Amendment Act (No. 6) 1991).

30 (3) Section 2 of the principal Act is hereby further amended by inserting, after the definition of the term “New Zealand company”, the following definitions:

35 “‘New Zealand superannuation’—

\*R.S. Vol. 12, p. 1

Amendments: 1983, No. 4; 1983, No. 139; 1984, No. 10; 1985, No. 59; 1985, No. 125; 1986, No. 3; 1986, No. 7; 1986, No. 41; 1986, No. 117; 1987, No. 66; 1987, No. 104; 1987, No. 190; 1988, No. 6; 1988, No. 14; 1988, No. 133; 1988, No. 225; 1989, No. 7; 1989, No. 13, Part II; 1989, No. 49; 1989, No. 150; 1990, No. 24; 1990, No. 63; 1990, No. 91; 1991, No. 10; 1991, No. 14; 1991, No. 47; 1991, No. 75; 1991, No. 85; 1991, No. 125; 1992, No. 1; 1992, No. 14; 1992, No. 39; 1992, No. 98; 1992, No. 115; 1993, No. 16; 1993, No. 17

“(a) Means New Zealand superannuation paid or payable under Part I of the Social Welfare (Transitional Provisions) Act 1990:

“(b) Includes—

“(i) Any living alone payment paid or payable to a New Zealand superannuitant under section 18A of the Social Welfare (Transitional Provisions) Act 1990; and 5

“(ii) Any national superannuation paid or payable, before the 1st day of April 1994, under Part I of the Social Welfare (Transitional Provisions) Act 1990; but 10

“(c) Does not include—

“(i) Portable New Zealand superannuation; or  
“(ii) Any transitional retirement benefit paid or payable under Part I of the Social Welfare (Transitional Provisions) Act 1990; or 15

“(iii) Any supplement or benefit paid or payable under any of sections 61DC, 61DD, 61DE, 61E, 61G, and 69c of the Social Security Act 1964: 20

“‘New Zealand superannuitant’, in relation to any income year,—

“(a) Means a person who receives New Zealand superannuation in the income year; but 25

“(b) Does not include a person who receives New Zealand superannuation at a rate specified in clause 2 of the First Schedule to the Social Welfare (Transitional Provisions) Act 1990:

“‘New Zealand superannuitant surcharge’, or ‘surcharge’, means the surcharge imposed by section 336c of this Act.”. 30

(4) Section 2 of the principal Act is hereby further amended by repealing the definition of the term “portable national superannuation” (as inserted by section 2 (6) of the Income Tax Amendment Act (No. 5) 1991), and substituting the following definition: 35

“‘Portable New Zealand superannuation’ means New Zealand superannuation paid or payable overseas under section 17 of the Social Welfare (Transitional Provisions) Act 1990.”. 40

(5) Section 2 of the principal Act is hereby further amended by omitting from paragraph (c) of the definition of the term “salary or wages” (as substituted by section 2 (5) of the Income Tax Amendment Act (No. 6) 1991) the words “national 45

superannuation”, and substituting the words “New Zealand superannuation”.

(6) The following enactments are hereby consequentially repealed:

- 5 (a) Section 2 (5) and (6) of the Income Tax Amendment Act (No. 5) 1991:
- (b) Section 2 (4) of the Income Tax Amendment Act (No. 6) 1991.

**33. Amendments to other provisions**—(1) Section 336A of the principal Act (as inserted by section 8 (1) of the Income Tax Amendment Act (No. 6) 1991 is hereby amended—

- (a) By repealing the definition of the term “national superannuitant”:
- 15 (b) By inserting, after the definition of the term “specified income”, the following definition:  
“ ‘Superannuitant’ means a New Zealand superannuitant:”.

(2) The provisions specified in subsection (3) of this section are hereby amended—

- 20 (a) By omitting the expression “national superannuation” wherever it occurs, and substituting in each case the expression “New Zealand superannuation”:
- (b) By omitting the expression “national superannuitant” wherever it occurs, and substituting in each case the expression “New Zealand superannuitant”:
- 25 (c) By omitting the expression “national superannuitant surcharge” wherever it occurs, and substituting in each case the expression “New Zealand superannuitant surcharge”.

(3) Subsection (1) of this section applies to the following provisions:

- 30 (a) Section 47 (1) (b) of the principal Act (as substituted by section 3 of the Income Tax Amendment Act (No. 6) 1991):
- 35 (b) Section 50D (1) (a) and (c) of the principal Act (as inserted by section 3 (1) of the Income Tax Amendment Act (No. 3) 1988 and amended by section 4 of the Income Tax Amendment Act (No. 6) 1991):
- (c) Section 57 (1) of the principal Act (as amended by section 5 of the Income Tax Amendment Act (No. 6) 1991):
- 40 (d) Section 61 (35), (36), and (64) of the principal Act (as amended by section 4 (2) of the Income Tax Amendment Act (No. 5) 1991 and section 6 of the Income Tax Amendment Act (No. 6) 1991):

- (e) Section 65 (2) (d) of the principal Act (as substituted by section 7 (1) of the Income Tax Amendment Act (No. 6) 1991):
  - (f) Part XA (sections 336A to 336M) of the principal Act (as inserted by section 8 (1) of the Income Tax Amendment Act (No. 6) 1991 and amended by section 95 of the Student Loan Scheme Act 1992): 5
  - (g) Section 356 (2) (g) of the principal Act (as substituted by section 9 (2) of the Income Tax Amendment Act (No. 6) 1991): 10
  - (h) The definition in section 375 of the principal Act of the term “residual income tax” (as substituted by section 71 (1) of the Income Tax Amendment Act (No. 2) 1993):
  - (i) Section 394ZZU (1) of the principal Act (as inserted by section 55 of the Income Tax Amendment Act (No. 5) 1988): 15
  - (j) Section 432 (6) (c) (i) of the principal Act (as substituted by section 178 of, and clause 13 of Part II of the Third Schedule to, the Accident Rehabilitation and Compensation Insurance Act 1992): 20
- (4) Sections 4 and 6 of the Income Tax Amendment Act (No. 6) 1991 are hereby consequentially repealed.
-

**SCHEDULES**

**Section 4**

**FIRST SCHEDULE**

**ACCORD ON RETIREMENT INCOME POLICIES**

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FIRST SCHEDULE—*continued*ACCORD ON RETIREMENT INCOME POLICIES—*continued***AN ACCORD ON RETIREMENT INCOME POLICIES**

entered into by the Parties named below on 25 August 1993

**Background**

- a. The Parties agree that—
  - (i) retirement income policies are of great significance to all New Zealanders; and
  - (ii) it is important to achieve consensus and certainty on the policies to be implemented, to the greatest extent possible.
- b. The Parties have established a Parliamentary Group consisting of their representatives to consider the final report (issued in December 1992) of the Task Force on Private Provision for Retirement, and make recommendations as to the retirement income policies that should be implemented in New Zealand.
- c. This Accord sets out specific policies and other matters that have been considered by the Parliamentary Group and agreed by the Parties.

**PART 1****PURPOSE AND PRINCIPLES**

- 1.1 **Purpose of this Accord**

The purpose of this Accord is to achieve consensus on the retirement income policies to be implemented in New Zealand.
- 1.2 **Kind of policies needed**

Retirement income policies should be stable, certain, and sustainable, so that people can plan properly for their retirement.
- 1.3 **Amount of retirement income**

An adequate and equitable amount of income should be available to every retired New Zealander who meets the current qualification requirements (being requirements that are similar to those in force at the date of this Accord).
- 1.4 **Voluntary private provision of retirement income**

People should be encouraged to save for their retirement through the availability of appropriate savings products, supported by education and the provision of information about retirement matters; but should not be compelled by law, or given tax incentives, to do so.
- 1.5 **Provision for retirement to be both private and public**

Retirement income should continue to be provided in an integrated way from both private savings and public funds.
- 1.6 **International reciprocal agreements**

The Government should continue to negotiate appropriate international reciprocal agreements with the objective of providing equitable treatment for people eligible for retirement income in or from New Zealand.



FIRST SCHEDULE—*continued*

ACCORD ON RETIREMENT INCOME POLICIES—*continued*

**PART 2**

**PUBLIC PROVISION ON RETIREMENT INCOME**

**2.1 Existing policies to continue with modifications**

The existing legislation relating to National Superannuation (referred to as “New Zealand Superannuation” in this Accord) should continue in force in all material respects, except as otherwise provided for in this Accord.

**2.2 Change of name**

National Superannuation should in future be known as “New Zealand Superannuation”.

**2.3 Adjustment of level of payments of New Zealand Superannuation**

2.3.1 In order to maintain its purchasing power, the rates of payments of New Zealand Superannuation should be adjusted in line with annual movements in prices. Subject to any modifications made under this Accord, this principle should be given effect to by continuing to adjust the after-tax rates of payments of New Zealand Superannuation annually by the same percentage as the change in the Consumers Price Index.

2.3.2 Furthermore, in order that all retired New Zealanders may continue to enjoy a reasonable level of participation in and belonging to the community, the level of New Zealand Superannuation payments should be within a range of average wage levels. This means that the income of those who receive New Zealand Superannuation should maintain a fair relationship with the income of those in the paid work force. Subject to any modifications made under this Accord, this principle should be given effect to as follows:

- (a) the after-tax weekly rate of New Zealand Superannuation for a couple should not be less than 65%, nor more than 72.5%, of the average after-tax ordinary time weekly wage;<sup>7</sup> and
- (b) the after-tax weekly rates of New Zealand Superannuation for other recipients should have corresponding minimum and maximum levels.

**2.4 Publicly provided retirement income to relate to other income**

2.4.1 The net amount provided from public funds for a retired person should reduce as that person’s total income increases.

2.4.2 As the Parties have differing perspectives in regard to the implementation of the principle in clause 2.4.1, it should be implemented in regard to New Zealand Superannuation by either—

- (a) a surcharge on income in the same form as exists at the date of this Accord; or
- (b) a progressive tax regime that has equivalent effect.

FIRST SCHEDULE—*continued*ACCORD ON RETIREMENT INCOME POLICIES—*continued*

- 2.4.3 The effectiveness and integrity of the existing surcharge on income should be reviewed periodically with a view to reducing avoidance opportunities.
- 2.4.4 The level of income at which the surcharge commences to apply should be reviewed from time to time, and adjusted if necessary, so as to maintain its value.
- 2.5 Age of eligibility**  
The existing legislation which gradually increases the age of eligibility for New Zealand Superannuation to 65 should continue in force.
- 2.6 Transitional provisions relating to raising of age of eligibility**
- 2.6.1 To recognise the circumstances of people who were approaching age 60 at the time of announcement of the legislation referred to in clause 2.5 and whose expectations were changed by that legislation, there should be new legislation providing for a “Transitional Retirement Benefit” from 1 April 1994 for those persons who were born before 1 April 1939 and who meet the New Zealand Superannuation residence requirements. The benefit should—
- (a) be available to each such person who was born before 1 July 1936 and who is aged 60 years or more, for a maximum period of 3 years immediately before the person becomes entitled to receive New Zealand Superannuation;
  - (b) be available to each such person who was born on or after 1 July 1936 and before 1 April 1939 and who is aged 60 years or more, for a maximum period of 2 years, 9 months (which reduces progressively in 3 month steps) immediately before the person becomes entitled to receive New Zealand Superannuation;
  - (c) not be payable to any person who is entitled to receive New Zealand Superannuation or a Veterans Pension or whose spouse is so entitled;
  - (d) be \$166.04 after-tax per week for a single person and \$276.74 after-tax per week for a couple, adjusted for any general benefit rate adjustments having effect after 31 March 1994;
  - (e) be subject to the normal social security income test;
  - (f) cease when all persons referred to in paragraphs (a) and (b) have become entitled to receive New Zealand Superannuation.
- 2.6.2 To recognise the circumstances of the small group of people who commenced drawing a life insurance annuity or private New Zealand pension before the commencement of the legislation referred to in clause 2.5 (1 April 1992) and whose expectations were changed by that legislation, there should be new legislation providing that those people should from 1 April 1994 have only 50% of those annuities or pensions included for social security testing, if they—

FIRST SCHEDULE—*continued*ACCORD ON RETIREMENT INCOME POLICIES—*continued*

- (a) meet the New Zealand Superannuation residence requirements; and
- (b) commenced drawing their annuity or pension between the ages of 55 and 59 both inclusive (and, in the case of married couples, the younger spouse was aged 55 or more at the time the annuity pension payments commenced); and
- (c) are aged 60 or more (or, in the case of married couples the younger spouse is aged 60 or more) at the time the social security income test is applied.

**2.7 Effect of this Part**

- 2.7.1 Publicly provided retirement income (being income provided from public funds which is primarily conditional upon age) should consist only of New Zealand Superannuation and, from 1 April 1994 to 31 March 2004, the Transitional Retirement Benefit.
- 2.7.2 In accordance with the purpose and principles set out in Part I, the amount of publicly provided retirement income should be assured but within the bounds set out in this Accord. Accordingly no Party should alter, or agree to alter, in a material way publicly provided retirement income, except as provided for in this Accord.
- 2.7.3 However, clauses 2.7.1 and 2.7.2 are not intended to prevent any Party—
  - (a) changing income support policies for persons who are not entitled to receive publicly provided retirement income; or
  - (b) changing publicly provided retirement income as a consequence of, and consistently with, changes in all income support policies—
 so long as the purpose and effect of those changes is not inconsistent with any of the provisions of, and does not undermine, this Accord.

**PART 3****TAXATION REGIME FOR PRIVATE SAVINGS****3.1 Taxation regime for private savings**

- 3.1.1 A stable taxation regime is an important component of a policy conducive to long term savings.
- 3.1.2 Accordingly, the current income tax treatment of savings known as the TTE Regime (where, in general, contributions to savings are not deductible for tax purposes, earnings on savings are taxed, and payments to savers are tax free) should continue to apply.

FIRST SCHEDULE—*continued*ACCORD ON RETIREMENT INCOME POLICIES—*continued***3.2 Foreign private pensions**

3.2.1 In regard to New Zealand taxation and the surcharge, a foreign-sourced private pension should have no advantage or disadvantage over a New Zealand-sourced private pension.

3.2.2 Wherever practicable, steps should be taken to give effect to the principle set out in clause 3.2.1. However it is recognised that the differences between New Zealand and foreign tax regimes and the constraints of existing international agreements can make this difficult to achieve.

**PART 4****IMPROVED DISCLOSURE REQUIREMENTS FOR PRIVATE SAVINGS****4.1 Disclosure about savings products**

Having considered the recommendations of the Task Force, the Parties agree that in respect of unit trusts, superannuation schemes, life insurance, and other financial investment products offered to the public (referred to as “savings products” in this Accord), legislation should be enacted to provide that—

- (a) certain statutory minimum disclosure requirements should apply in respect of all savings products (both when the initial commitments are made and on an annual basis thereafter);
- (b) the disclosure requirements should require the cost-effective disclosure of information which meets the reasonable needs of the prudent but non-expert investor;
- (c) the disclosure requirements should facilitate comparisons between savings products.

**4.2 Disclosure about financial advisers**

Following the recommendations of the Task Force, legislation should be enacted to require disclosure by financial advisers of their qualifications, experience, financial interests, and procedures for handling client funds.

**PART 5****COMPLAINTS AND DISPUTES ABOUT PRIVATE SAVINGS****5.1 Means for resolving complaints and disputes**

There should be a person or persons to whom complaints and disputes about any kind of private savings can be referred by any New Zealander for speedy and low cost resolution.

**5.2 Savings ombudsman**

The preference of the Parties is that the principle in clause 5.1 be achieved by the appointment of one Savings Ombudsman.

FIRST SCHEDULE—*continued*

ACCORD ON RETIREMENT INCOME POLICIES—*continued*

**5.3 Sector ombudsmen**

- 5.3.1 At present various private sector banking and insurance organisations have appointed or propose to appoint ombudsmen to consider complaints and disputes about private savings.
- 5.3.2 The Retirement Commissioner should review the appointments referred to in clause 5.3.1 and the kinds of private savings that are within the jurisdiction of those ombudsmen, and report by the end of 1994 on the need for a statutory Savings Ombudsman.

**PART 6**

**MAINTENANCE AND MONITORING OF POLICIES**

**6.1 Retirement Commissioner**

- 6.1.1 Following the recommendations of the Task Force, legislation should be enacted to provide for an independent Retirement Commissioner.
- 6.1.2 The Retirement Commissioner should—
  - (a) be adequately resourced, and permitted to comment publicly on any matter relating to retirement income;
  - (b) be appointed by the responsible Minister after consultation with all the Parties.
- 6.1.3 Each Retirement Commissioner should be appointed for a term that ends on the completion of the first periodic report prepared under clause 6.2 following his or her appointment. Reappointment of a person as Retirement Commissioner should be permitted.
- 6.1.4 The Retirement Commissioner should prepare annual reports, and the responsible Minister should lay each such report before the House of Representatives.
- 6.1.5 The functions of the Retirement Commissioner should be as follows:
  - (a) to develop and promote methods of improving the effectiveness of the retirement income policies set out in this Accord; including by promoting education, and the publication of information, about retirement income issues;
  - (b) to monitor the effects of retirement income policies that are being implemented in New Zealand;
  - (c) to advise the responsible Minister of the tasks that need to be undertaken, and the information that needs to be collected, to enable the preparation of each periodic report under clause 6.2; and to monitor the undertaking of those tasks;
  - (d) to advise on retirement income issues, when requested to do so by the responsible Minister:

FIRST SCHEDULE—*continued*ACCORD ON RETIREMENT INCOME POLICIES—*continued*

- (e) to monitor the effectiveness of the ombudsmen referred to in Part 5; and to consider issues addressed to him or her by any ombudsman and, if appropriate, to make recommendations to any person;
  - (f) to collect and publish information for the purpose of enabling the fulfillment of any of the functions described above.
- 6.2 Periodic reporting**
- 6.2.1 Reports on the retirement income policies set out in this Accord (called “periodic reports”) should be delivered to the responsible Minister by 31 December 1997 and at 6 yearly intervals thereafter.
- 6.2.2 The periodic reports should be prepared by a group comprising representatives of non-Government sectors (of whom one should be appointed as chairperson), officials, and the Retirement Commissioner. The group should be appointed by the responsible Minister, after consultation with all the Parties.
- 6.2.3 The terms of reference for each periodic report should be set by the responsible Minister, after consultation with all the Parties.
- 6.2.4 Without limiting clause 6.2.3, the first periodic report should—
- (a) provide a description of trends and likely future developments;
  - (b) comment on whether the emerging trends of public and private provision of retirement income are appropriate in terms of adequacy, efficiency, equity, and sustainability;
  - (c) identify areas of risk or unsatisfactory performance; and
  - (d) suggest where adjustment of any of the retirement income policies is desirable.
- 6.2.5 As soon as practicable after receiving a periodic report, the responsible Minister should lay a copy of it before the House of Representatives.

**PART 7****MISCELLANEOUS****7.1 Parties’ intention to abide by this Accord**

- 7.1.1 The Parties intend to abide by this Accord in accordance with its purpose, spirit, and intent. In particular, each of the Parties intends—
- (a) to support the enactment of such legislation as is necessary to give effect to this Accord; and
  - (b) to take any other steps reasonably necessary to give effect to this Accord.

FIRST SCHEDULE—*continued*

ACCORD ON RETIREMENT INCOME POLICIES—*continued*

- 7.1.2 This Accord encompasses retirement income policies and is not intended to prevent a Party adhering to or adopting policies in other areas (for example, health, housing, and education).
- 7.1.3 This Accord is not intended to prevent a Party adhering to or adopting a policy that is inconsistent with this Accord if the inconsistency is not material.
- 7.1.4 This Accord is not intended to create legal rights.
- 7.2 Other parties may join Accord**  
Any Parliamentary Party that is not already a Party to this Accord may become a Party by a supplemental document signed on behalf of that Parliamentary Party and each of the Parties to this Accord.
- 7.3 Alteration of this Accord**  
7.3.1 Any Party that proposes an addition or amendment to any or all of the provisions of this Accord should—  
(a) give written notice to each of the other Parties of its proposal and reasons;  
(b) discuss the proposal and reasons with the other Parties jointly (or, if the Parties so agree, with a Parliamentary Group comprising representatives of the Parties).
- 7.3.2 This Accord may be added to or amended by a supplemental document signed on behalf of each of the Parties.
- 7.4 Withdrawal from this Accord**  
7.4.1 Any Party that proposes to withdraw from any or all of the provisions of this Accord should—  
(a) give written notice to each of the other Parties of its proposal and reasons;  
(b) discuss the proposal and reasons with the other Parties jointly (or, if the Parties so agree, with a Parliamentary Group comprising representatives of the Parties).
- 7.4.2 If a Party who has given notice of proposed withdrawal under clause 7.4.1 (a) still wishes to withdraw after having complied with clause 7.4.1 (b), it may do so by giving written notice to this effect to each of the other Parties.
- 7.5 Interpretation**  
In this Accord—  
“Party” means a Parliamentary Party on whose behalf this Accord, or a supplemental document under clause 7.2, has been signed (other than a Parliamentary Party that has withdrawn from this Accord under clause 7.4.2);  
“responsible Minister” means the Minister of the Crown who, with the authority of the Prime Minister, is responsible for the Government’s retirement income policies;

FIRST SCHEDULE—*continued*ACCORD ON RETIREMENT INCOME POLICIES—*continued*

“*retired person*” means a person who meets the appropriate age and residence qualifications for publicly provided retirement income, whether or not he or she is in the workforce; and the words “*retired*” and “*retirement*” have corresponding meanings.

**SIGNED** on  
behalf of the  
**ALLIANCE  
PARLIAMENTARY  
PARTY**  
by its  
representative/s

Jim Anderton, MP,  
*Leader of the  
Alliance*

**SIGNED** on  
behalf of the  
**LABOUR  
PARLIAMENTARY  
PARTY**  
by its  
representative/s

Rt. Hon. Mike Moore,  
*Leader of the  
Opposition*

**SIGNED** on  
behalf of the  
**NATIONAL  
PARLIAMENTARY  
PARTY**  
by its  
representative/s

Rt. Hon. J. B. Bolger,  
*Prime Minister*

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SECOND SCHEDULE

Section 18

PROVISIONS APPLYING IN RESPECT OF RETIREMENT COMMISSIONER

**1. Employment of experts—**(1) The Retirement Commissioner may, as and when the need arises, appoint any person who, in the Retirement Commissioner's opinion, possesses expert knowledge or is otherwise able to assist in connection with the exercise by the Retirement Commissioner of the Retirement Commissioner's functions or powers to make such inquiries or to conduct such research or to make such reports or to render such other services as may be necessary for the efficient performance by the Retirement Commissioner of the Retirement Commissioner's functions.

(2) The Retirement Commissioner shall pay persons appointed by the Retirement Commissioner under this clause, for services rendered by them, fees or commission or both at such rates as the Retirement Commissioner thinks fit, and may separately reimburse them for expenses reasonably incurred in rendering services for the Retirement Commissioner.

**2. Staff—**(1) Subject to the provisions of this clause, the Retirement Commissioner may appoint such employees (including acting or temporary or casual employees) as may be necessary for the efficient carrying out of the Retirement Commissioner's functions or powers.

(2) The Retirement Commissioner, in making an appointment under this clause, shall give preference to the person who is best suited to the position.

(3) Subject to subclause (4) of this clause, employees appointed under this clause shall be employed on such terms and conditions of employment as the Retirement Commissioner from time to time determines.

(4) The Retirement Commissioner shall—

(a) Before entering into a collective employment contract in relation to all or any of the Retirement Commissioner's employees appointed under this clause, consult with the State Services Commissioner with respect to the terms and conditions of employment to be included in the collective employment contract; and

(b) From time to time consult with the State Services Commissioner in relation to the terms and conditions of employment applying to those employees appointed under this clause who are not covered by a collective employment contract.

**3. Superannuation or retiring allowances—**(1) For the purpose of providing superannuation or retiring allowances for the Retirement Commissioner, and for any of the employees of the Retirement Commissioner, the Retirement Commissioner may, out of the funds of the Retirement Commissioner, make payments to or subsidise any superannuation scheme that is registered under the Superannuation Schemes Act 1989.

(2) Notwithstanding anything in this Act, any person who, immediately before being appointed as the Retirement Commissioner or, as the case may be, becoming an employee of the Retirement Commissioner, is a contributor to the Government Superannuation Fund under Part II or Part II<sub>A</sub> of the Government Superannuation Fund Act 1956 shall be deemed to be, for the purposes of the Government Superannuation Fund Act 1956,

SECOND SCHEDULE—*continued*PROVISIONS APPLYING IN RESPECT OF RETIREMENT COMMISSIONER—  
*continued*

employed in the Government service so long as that person continues to hold office as the Retirement Commissioner or, as the case may be, to be an employee of the Retirement Commissioner; and that Act shall apply to that person in all respects as if that person's service as the Retirement Commissioner or, as the case may be, as such an employee were Government service.

(3) Subject to the Government Superannuation Fund Act 1956, nothing in **subclause (2)** of this clause entitles any such person to become a contributor to the Government Superannuation Fund after that person has ceased to be a contributor.

(4) For the purpose of applying the Government Superannuation Fund Act 1956, in accordance with **subclause (2)** of this clause, to a person who holds office as the Retirement Commissioner or, as the case may be, is in the service of the Retirement Commissioner as an employee and (in any such case) is a contributor to the Government Superannuation Fund, the term "controlling authority", in relation to any such person, means the Retirement Commissioner.

**4. Application of certain Acts to Retirement Commissioner and staff**—No person shall be deemed to be employed in the service of the Crown for the purposes of the State Sector Act 1988 or the Government Superannuation Fund Act 1956 by reason only of that person's appointment as the Retirement Commissioner or a person appointed under clause 1 or clause 2 of this Schedule.

**5. Services for Retirement Commissioner**—The Crown, acting through any Department, may from time to time, at the request of the Retirement Commissioner, execute any work or enter into any arrangements for the execution or provision by the Department for the Retirement Commissioner of any work or service, or for the supply to the Retirement Commissioner of any goods, stores, equipment or office accommodation, on and subject to such terms and conditions as may be agreed.

**6. Funds of Retirement Commissioner**—The funds of the Retirement Commissioner shall consist of—

- (a) Any money appropriated by Parliament for the purposes of the Retirement Commissioner and paid to the Retirement Commissioner for the purposes of the Retirement Commissioner;
- (b) All other money lawfully received by the Retirement Commissioner for the purposes of the Retirement Commissioner;
- (c) All accumulations of income derived from any such money.

**7. Retirement Commissioner not to borrow without consent of Minister of Finance**—Notwithstanding anything in **section 5 (3)** of this Act, the Retirement Commissioner shall not borrow or contract to borrow any money, or renew any loan made to the Retirement Commissioner, without the prior written consent of the Minister of Finance.

**8. Seal**—The Retirement Commissioner's seal of office shall be judicially noticed in all courts and for all purposes.

SECOND SCHEDULE—*continued*

PROVISIONS APPLYING IN RESPECT OF RETIREMENT COMMISSIONER—  
*continued*

**9. Exemption from income tax**—The income of the Retirement Commissioner shall be exempt from income tax.

Section 27 (2)

THIRD SCHEDULE

NEW FOURTH SCHEDULE TO SOCIAL WELFARE (TRANSITIONAL PROVISIONS) ACT  
1990

Section 7A (4)

FOURTH SCHEDULE

RATES OF TRANSITIONAL RETIREMENT BENEFIT

- |  |   |
|--|---|
| (a) To any unmarried person with-<br>out dependent children  | \$8,634.08 a year, diminished by 30¢ for every complete \$1 of the total annual income of the person in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.                       |
| (b) To an unmarried person with<br>1 dependent child   | \$11,341.72 a year, diminished by 30¢ for every complete \$1 of the total annual income of the person in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.                      |
| (c) To an unmarried person with 2<br>or more dependent children  | \$12,178.92 a year, diminished by 30¢ for every complete \$1 of the total annual income of the person in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.                      |
| (d) To a married person with 1 or<br>more dependent children<br>whose spouse is granted, in<br>his or her own right, a bene-<br>fit (other than New Zealand<br>superannuation or a vet-<br>eran's pension) | \$7,195.24 a year, diminished by 15¢ for every complete \$1 of the total annual income of the person and his or her spouse in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 35¢ for every complete \$1 of such income in excess of \$4,160 a year. |

THIRD SCHEDULE—*continued*NEW FOURTH SCHEDULE TO SOCIAL WELFARE (TRANSITIONAL PROVISIONS) ACT  
1990—*continued*FOURTH SCHEDULE—*continued*RATES OF TRANSITIONAL RETIREMENT BENEFIT—*continued*

- (e) To a married person without dependent children whose spouse is granted, in his or her own right, a benefit (other than New Zealand superannuation or a veteran's pension) \$7,195.24 a year, diminished by 15¢ for every complete \$1 of the total annual income of the person and his or her spouse in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 35¢ for every complete \$1 of such income in excess of \$4,160 a year.
- (f) To a married person with 1 or more dependent children whose spouse is not granted a benefit in his or her own right \$7,195.24 a year, increased by \$7,195.24 a year in respect of his or her spouse, the total rate to be diminished by 30¢ for every complete \$1 of the total annual income of the person and his or her spouse in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.
- (g) To a married person without dependent children whose spouse is not granted a benefit in his or her own right \$7,195.24 a year, increased by \$7,195.24 a year in respect of his or her spouse, the total rate to be diminished by 30¢ for every complete \$1 of the total annual income of the person and his or her spouse in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.”
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FOURTH SCHEDULE

Section 29

AMENDMENTS TO SOCIAL SECURITY ACT 1964

Provision of Social Security Act 1964 Amended	Amendment
Section 2 (as substituted by section 15 (1) of the Department of Social Welfare Act 1971)	<p>By repealing this section, and substituting the following section:</p> <p>“2. <b>Administration</b>—Subject to the control and direction of the Minister of Social Welfare, this Part of this Act and the Social Welfare (Transitional Provisions) Act 1990 shall be administered in the Department of Social Welfare by the Director-General of Social Welfare.”</p>
Section 3	<p>By inserting in subsection (1), after subparagraph (i) of paragraph (b) of the definition of the term “benefit” (as substituted by section 2 (1) of the Social Security Amendment Act (No. 2) 1990), the following subparagraph:</p> <p>“(ia) A transitional retirement benefit payable under Part I of the Social Welfare (Transitional Provisions) Act 1990.”</p> <p>By repealing the definition of the term “guaranteed retirement income” in subsection (1) (which definition was inserted by section 14 (3) of the Social Welfare (Transitional Provisions) Act 1990 and amended by section 2 (1) of the Social Welfare (Transitional Provisions) Amendment Act (No. 2) 1991).</p> <p>By inserting in subsection (1), in its appropriate alphabetical order, the following definition:</p> <p>“‘New Zealand superannuation’ means New Zealand superannuation payable under Part I of the Social Welfare (Transitional Provisions) Act 1990.”</p> <p>By inserting in subsection (1), after the definition of the term “temporary employment” (as inserted by section 2 (3) of the Social Security Amendment Act 1991), the following definition:</p> <p>“‘Transitional retirement benefit’ means a transitional retirement benefit payable under Part I of</p>

FOURTH SCHEDULE—*continued*AMENDMENTS TO SOCIAL SECURITY ACT 1964—*continued*

Provision of Social Security Act 1964 Amended	Amendment
Section 3— <i>continued</i>	<p style="text-align: center;">the Social Welfare (Transitional Provisions) Act 1990.”.</p> <p>By adding the following subsection:</p> <p>“(3) Except for the purposes of section 69E of this Act, and notwithstanding the definition of the term ‘income’ in subsection (1) of this section, where it is necessary to determine, for the purposes of this Act or the Social Welfare (Transitional Provisions) Act 1990, the income of any person who—</p> <p>“(a) Meets the residential qualification for New Zealand superannuation set out in section 4 of the Social Welfare (Transitional Provisions) Act 1990; and</p> <p>“(b) Is aged 60 years or more and whose spouse (if any), being a spouse whose age is less than that of the person whose income is being determined, is aged 60 years or more; and</p> <p>“(c) Is in receipt of a pension under a superannuation scheme registered under the Superannuation Schemes Act 1989 or of payments under an annuity paid in respect of a policy of life insurance—</p> <p>“(i) Offered or entered into in New Zealand by a life insurer (as that term is defined in section 204 of the Income Tax Act 1976); or</p> <p>“(ii) Offered or entered into outside of New Zealand by a life insurer (as so defined) that is resident in New Zealand within the meaning of section 241 of the Income Tax Act 1976; and</p> <p>“(d) Commenced to receive payments of that pension or under that annuity—</p>

FOURTH SCHEDULE—*continued*

AMENDMENTS TO SOCIAL SECURITY ACT 1964—*continued*

Provision of Social Security Act 1964 Amended	Amendment
Section 3— <i>continued</i>	<p>“(i) Before the 1st day of April 1992; and                      “(ii) When that person was aged not less than 55 years nor more than 59 years and when that person’s spouse (if any), being a spouse whose age is less than that of the person whose income is being determined, was aged 55 years or more,—                      50 percent of the amount received by that person under that pension or under that annuity shall not be included in the income of that person.”</p>
Section 61E (as substituted by section 10 (1) of the Social Security Amendment Act (No. 3) 1993)	<p>By repealing paragraph (b) of the definition of the term “beneficiary”, and substituting the following paragraph:                      “(b) New Zealand superannuation, a transitional retirement benefit, or a veteran’s pension.”</p>
Section 61G (as substituted by section 9 (1) of the Social Security Amendment Act 1981)	<p>By inserting, after the words “this Part of this Act” in both places where they appear, the words “or the Social Welfare (Transitional Provisions) Act 1990”.</p>
Section 61H (as substituted by section 3 of the Social Security Amendment Act 1990)	<p>By repealing subsection (1), and substituting the following subsection:                      “(1) The Governor-General may from time to time, by Order in Council,—                      “(a) Amend sections 61DB, 61DC, 61DD, 61EC, and 125 of this Act; and                      “(b) Amend the First, Second, and Fourth Schedules to the Social Welfare (Transitional Provisions) Act 1990; and                      “(c) Amend the Third, Fourth, Sixth, Eighth, Ninth, Sixteenth to Nineteenth, Twenty-second, Twenty-third, Twenty-sixth, and Twenty-seventh Schedules to this Act—                      by increasing the amount of any benefit, allowance, lump sum payment, maximum amount of supplements, average regional rental, asset limit, income exemption, maximum amount</p>

FOURTH SCHEDULE—*continued*  
 AMENDMENTS TO SOCIAL SECURITY ACT 1964—*continued*

Provision of Social Security Act 1964 Amended	Amendment
Section 61H (as substituted by section 3 of the Social Security Amendment Act 1990)— <i>continued</i>	of advance, cash assets test, or annual or weekly income test (but not the rate of diminution of any benefit or allowance) set out in those sections and those Schedules, and by decreasing the amount of any average regional rental.”
Section 64 . . . .	By inserting in subsection (1), and also in subsection (2A) (as inserted by section 18 (2) of the Social Security Amendment Act 1978), after the words “Schedule to this Act”, the words “or in the Social Welfare (Transitional Provisions) Act 1990”.
Section 66A (as inserted by section 22 of the Social Security Amendment Act 1972)	By omitting the words “under this Part of this Act”.
Section 66B (as inserted by section 4 of the Social Security Amendment Act (No. 4) 1992)	By omitting the words “payable under this Part of this Act”.
Section 68 . . . .	By omitting the words “for the purposes of this Part of this Act”.
Section 69c (1) (as substituted by section 15 (1) of the Social Security Amendment Act (No. 2) 1985)	By inserting in paragraph (a), after the words “unemployment benefit,”, the words “or a transitional retirement benefit,”.
Section 69c (5) (as added by section 11 (2) of the Social Security Amendment Act 1982)	By repealing paragraph (a) (as substituted by section 14 (10) (a) of the Social Welfare (Transitional Provisions) Act 1990 and amended by section 5 (3) (d) of the Social Security Amendment Act (No. 3) 1993), and substituting the following paragraph: “(a) A married person is in receipt of New Zealand superannuation or a transitional retirement benefit or a veteran’s pension, or of an invalid’s, sickness, or unemployment benefit, or a related emergency benefit; and”.



FOURTH SCHEDULE—*continued*

AMENDMENTS TO SOCIAL SECURITY ACT 1964—*continued*

Provision of Social Security Act 1964 Amended	Amendment
Section 70 (as substituted by section 13 (1) of the Social Security Amendment Act 1975)	By inserting in paragraph (a) of subsection (1) (as substituted by section 16 (1) of the Social Security Amendment Act (No. 2) 1985), and also in paragraph (b) of subsection (1), after the words "this Part of this Act", the words "or under the Social Welfare (Transitional Provisions) Act 1990".
Section 70A (1) (b) (as inserted by section 9 (1) of the Social Security Amendment Act (No. 5) 1991)	By inserting in subsection (1), after the words "payable under this Part of this Act", the words "or under the Social Welfare (Transitional Provisions) Act 1990". By inserting, after subparagraph (iii), the following subparagraph: "(iiiia) A transitional retirement benefit payable under Part I of the Social Welfare (Transitional Provisions) Act 1990; or".
Section 71 .. ..	By inserting in subsection (1), after the words "this Part of this Act", the words "or the Social Welfare (Transitional Provisions) Act 1990".
Section 74 .. ..	By inserting, after the words "this Part of this Act", the words "or the Social Welfare (Transitional Provisions) Act 1990".
Section 74A (as inserted by section 29 of the Social Security Amendment Act 1991)	By omitting from subsection (1) the words "under this Part of this Act". By omitting from subsection (2) the words "any Schedule to this Act", and substituting the words "the Social Welfare (Transitional Provisions) Act 1990".
Section 75 (as substituted by section 12 (1) of the Social Security Amendment Act 1982)	By inserting in subsection (2), after the words "in this Part of this Act", the words "or in the Social Welfare (Transitional Provisions) Act 1990". By omitting from subsection (2) the words "under this Part of this Act".
Section 80 (1) (as substituted by section 32 (1) of the Social Security Amendment Act 1991)	By inserting, after the words "sickness benefit," the words "transitional retirement benefit,".

FOURTH SCHEDULE—*continued*AMENDMENTS TO SOCIAL SECURITY ACT 1964—*continued*

Provision of Social Security Act 1964 Amended	Amendment
Section 80 (2B) (as inserted by section 20 (2) of the Social Security Amendment Act (No. 3) 1993)	By inserting, after the words “domestic purposes benefit”, the words “or a transitional retirement benefit”.
Section 80 (8) (as substituted by section 32 (1) of the Social Security Amendment Act 1991)	By inserting in paragraph (a) of the proviso, after the words “veteran’s pension”, the words “or of a transitional retirement benefit”.
Section 80B (1) (a) (as substituted by section 5 (1) of the Social Security Amendment Act (No. 4) 1992)	By inserting in paragraph (b) of the proviso, after the words “veteran’s pension”, the words “or of a transitional retirement benefit”.
Section 80B (1) (a) (as substituted by section 5 (1) of the Social Security Amendment Act (No. 4) 1992)	By inserting, after the words “invalid’s benefit,”, the words “a transitional retirement benefit,”.
Section 80B (3) (as substituted by section 5 (1) of the Social Security Amendment Act (No. 4) 1992)	By adding to the definition of the term “income” the words “; and also includes transitional retirement benefits paid under the Social Welfare (Transitional Provisions) Act 1990:”.
Section 80c (as inserted by section 21 of the Social Security Amendment Act (No. 2) 1991)	By omitting from subsection (2) the words “under this Part of this Act”.
Section 125 (1) (as substituted by section 26 (1) of the Social Security Amendment Act 1975)	By omitting the words “under Part I of this Act”, and substituting the words “(as defined in section 3 (1) of this Act)”.
Section 127 (as substituted by section 41 of the Social Security Amendment Act 1972)	By repealing paragraph (a), and substituting the following paragraph: “(a) Any benefit under this Act or the Social Welfare (Transitional Provisions) Act 1990; or”.
Twenty-second Schedule (as added by section 27 (1) of the Social Security Amendment Act (No. 2) 1985)	By omitting from clause 1 the words “(other than national superannuation, a family benefit, or an orphan’s benefit) under Part I of this Act”, and substituting the words “(other than New Zealand superannuation, a veteran’s pension, an orphan’s benefit, or an unsupported child’s benefit)”.
	By omitting from clause 2 the words “national superannuation under Part I of this Act”, and substituting the words “New Zealand superannuation under Part I of the Social Welfare (Transitional Provisions) Act 1990”.