

SUPERANNUATION AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill makes various amendments to the Superannuation Act, 1947. Except as provided in *clauses 3, 9, and 10*, the amendments are to take effect from the commencement of the principal Act.

Clause 2 amends the definition of the term "Government service" so as to exclude non-permanent service in the armed forces. Any such non-permanent service may still be counted for superannuation purposes under section 24 (*d*) of the principal Act, where it immediately follows a period of Government service.

Clause 3 provides that the administration expenses of the Government Superannuation Board are to be paid out of moneys appropriated by Parliament, and not out of the Government Superannuation Fund.

Clause 4 provides that no contributor may count as part of his service for superannuation purposes any period during which he was a military defaulter.

Clause 5 provides that no contributor may count as part of his service for superannuation purposes any period of service in the armed forces for which he has received a regular force gratuity under a scale of pay coming into force on or after 1st April, 1946, unless he repays the gratuity, without interest.

Clause 6 provides that elections under the Act may be revoked with the consent of the Board in any case where no actual liability has been imposed on the Fund by reason of the election. Under section 8 (2) of the principal Act the Board may impose conditions when it grants its consent.

Clause 7 amends section 24 (*a*) of the principal Act, which provides that the continuity of the service of any employee in the Education service shall not be deemed to be interrupted by any interval in his employment where he has not retired and the interval does not exceed one year. The amendment makes it clear—

- (a) That the paragraph applies without the consent of the Board to more than one interval not exceeding one month, but the consent of the Board is required where there is more than one interval exceeding one month:
- (b) That the employee shall not be deemed to have retired during any interval not exceeding one year unless he gives notice in writing to the Secretary of the Board or to the Minister of Education of his retirement from the Education service.

Clause 8 extends section 38 of the principal Act so as to apply to persons who retired before the commencement of the principal Act on a retiring allowance from the Public Service Superannuation Fund or the Teachers' Superannuation Fund or the Government Railways Superannuation Fund and subsequently became contributors to one of those funds or to the Government Superannuation Fund. Section 38 provides that in the case of any such retirement after the commencement of the principal Act the former retiring allowance is to cease during the subsequent period of service, unless, in the case of medical unfitness, the Board consents to an election to treat the two periods of service as one continuous period.

Clause 9: Section 2 of the Samoa Amendment Act, 1949, excluded the High Commissioner of Western Samoa, the Chief Judge of the High Court of Western Samoa, the General Manager of the New Zealand Reparation Estates, representatives in Western Samoa of the Audit Office of New Zealand, and officers of police or prisons, from the Samoan Public Service for all purposes, including superannuation purposes. This clause provides that the holder for the time being of any such office is to be deemed to be a permanent officer of the Samoan Public Service for superannuation purposes. The most important consequence will be to cause section 45 of the principal Act to apply to the persons affected, and enable them to claim to have each year of contributory service in any such capacity computed as a year and a half.

Clause 10 amends section 45 of the principal Act so that it applies to all employees of the Cook Islands Public Service and the Samoan Public Service, and not merely to permanent officers. The section provides for the computation of each year of service as a year and a half.

Clause 11 amends section 54 of the principal Act so as to make it clear that refunds of contributions paid in respect of an allowance can be claimed only where contributions are no longer paid on that allowance in any case, and that no such refund can be claimed in a case where the contributor has ceased to receive an allowance on which contributions are still payable by other contributors.

Clause 12 relates to contributors who did not elect under section 29 of the Finance Act, 1925, or section 26 of the Finance Act, 1932-33 (No. 2), to contribute on house allowances or board or lodging allowances. Section 29 made it compulsory for future contributors, as well as those who so elected, to contribute on those allowances. Under section 55 of the principal Act, as amended by section 13 of the Superannuation Act, 1948, such contributors who did not elect are nevertheless bound to contribute on those allowances. *Clause 12* provides that section 55 is not to apply to them unless they so elect on or before 31st March, 1951. If they do not so elect the allowances in question from 1st October, 1925, onwards will be disregarded in computing their contributions and retiring allowances.

In the Education service some of those allowances were later incorporated into salaries and consequently counted for retiring allowance purposes, whether or not the contributor contributed on the former allowance. The new subsection (3B) is designed to remove this anomaly by providing that contributors who do not elect to contribute on the allowances will have their contributions and their retiring allowances computed on salaries reduced by the amount that represents any such allowance.

Clause 13 enables the Government Superannuation Board to grant a retiring allowance to a permanent member of the regular forces who retires voluntarily with the consent of the appropriate Service Board after not less than twenty years of contributory service. The Board may direct that any part of the contributory service in excess of twenty years be disregarded in computing the retiring allowance and that the contributions in respect of that part of the service be refunded.

Clause 14 exempts from death duty the value of any annuity payable from the Fund to the widow of a deceased member of Parliament. It corresponds to the similar exemption provided by sections 10 and 20 of the Superannuation Amendment Act, 1948, in respect of annuities payable from the Fund to the widows of Magistrates and to the widows of other Government servants.

Clause 15 provides that teachers who purchased an earlier period of service before the commencement of the principal Act are to have their contributions fixed by reference to their age at the beginning of the earlier period, but computed as if the earlier period were immediately before the subsequent period of service.

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

House of Representatives,

28th November, 1950

Hon. Mr. Fortune

SUPERANNUATION AMENDMENT

ANALYSIS

Title.	
1. Short Title and commencement.	10. Computation of contributory service in Cook Islands and Samoan Public Services.
2. Service in armed forces.	11. Refund of contributions on allowances no longer deemed to be salary.
3. Administration expenses.	12. House allowances, &c., not to be added to salary in certain cases.
4. Military defaulters.	13. Retiring allowance of permanent members of regular forces retiring after twenty years' service.
5. Refund of regular force gratuity on election to count previous service.	14. Exemption from death duties of annuities to widows of members.
6. Revocation of elections with consent of Board.	15. Contributions by teachers who purchased service under Public Service Superannuation Act, 1927.
7. Retirement from Education service.	
8. Re-employment of contributor after retiring on allowance.	
9. Persons deemed to be permanent officers of the Samoan Public Service.	

A BILL INTITULED

AN ACT to Amend the Superannuation Act, 1947.

Title.

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

1. (1) This Act may be cited as the Superannuation Amendment Act, 1950, and shall be read together with and deemed part of the Superannuation Act, 1947 (hereinafter referred to as the principal Act).

Short Title and commencement.

1947, No. 57

(2) Except as otherwise hereinafter provided, this Act shall be deemed to have come into force at the commencement of the principal Act.

Service in
armed forces.
1948, No. 79

2. Section two of the principal Act is hereby amended by adding to the definition of the term "Government service" (as amended by section three of the Superannuation Amendment Act, 1948) the words "but does not include service in any of His Majesty's forces except as a permanent member of the regular forces within the meaning of Part III of this Act".

Administration
expenses.

3. (1) Section thirteen of the principal Act is hereby amended as follows:—

(a) By omitting from subsection one the words "out of the Government Superannuation Fund Account, in accordance with the appropriation of Parliament", and substituting the words "out of moneys to be appropriated by Parliament":

(b) By omitting from subsection two the word "other".

(2) This section shall be deemed to have come into force on the first day of April, nineteen hundred and fifty.

Military
defaulters.

4. (1) Section twenty-three of the principal Act is hereby amended by inserting, after subsection one, the following subsection:—

"(1A) No person shall be entitled to elect under this Part of this Act to become a contributor or to contribute to the Fund in respect of any period during which he was a defaulter within the meaning of the National Service Emergency Regulations 1940."

Serial number
1944/50
(Reprint)

(2) Section sixty-five of the principal Act is hereby amended by inserting, after subsection one, the following subsection:—

"(1A) No person shall be entitled to elect under this Part of this Act to become a contributor or to contribute to the Fund in respect of any period during which he was a defaulter within the meaning of the National Service Emergency Regulations 1940."

Serial number
1944/50
(Reprint)

Refund of
regular force
gratuity on
election to
count previous
service.

5. (1) Section twenty-three of the principal Act (as amended by section four of this Act) is hereby further amended by inserting, after subsection one A, the following subsection:—

"(1B) No person shall be entitled to elect under this Part of this Act to become a contributor or to contribute to the Fund in respect of any previous period of service as a permanent member of the regular forces not earlier

than the first day of April, nineteen hundred and forty-six, unless he repays, without interest, the amount of any gratuity paid to him in respect of that previous period of service in accordance with a scale of pay coming into force on or after that date.”

(2) Section sixty-five of the principal Act (as amended by section *four* of this Act) is hereby further amended by inserting, after subsection *one A*, the following subsection:—

10 “(1B) No person shall be entitled to elect under this Part of this Act to become a contributor or to contribute to the Fund in respect of any previous period of service as a permanent member of the regular forces not earlier than the first day of April, nineteen hundred and forty-
15 six, unless he repays, without interest, the amount of any gratuity paid to him in respect of that previous period of service in accordance with a scale of pay coming into force on or after that date.”

20 6. (1) Section twenty-three of the principal Act is hereby amended by adding the following subsection:—

25 “(4) Where no actual liability has been imposed on the Fund by reason of an election made under this Part of this Act, the election may, with the consent of the Board, be revoked by writing delivered to the Secretary of the Board within such time as the Board may determine.”

Revocation of elections with consent of Board.

(2) Section sixty-five of the principal Act is hereby amended by adding the following subsection:—

30 “(3) Where no actual liability has been imposed on the Fund by reason of an election made under this Part of this Act, the election may, with the consent of the Board, be revoked by writing delivered to the Secretary of the Board within such time as the Board may determine.”

35 7. Section twenty-four of the principal Act is hereby amended by repealing the proviso to paragraph (*a*), and substituting the following provisos:—

Retirement from Education service.

40 “ Provided that, except with the consent of the Board, this paragraph shall not apply in the case of any employee with respect to more than one interval exceeding one month :

“ Provided also that for the purposes of this paragraph no employee in the Education service shall be deemed to have retired during any interval not exceeding one year during which he is not employed in that service unless he gives notice in writing to the Secretary of the Board or to the Minister of Education of his retirement therefrom: ” 5

Re-employment of contributor after retiring on allowance.

8. Section thirty-eight of the principal Act is hereby amended by adding the following subsection as subsection two:— 10

“(2) This section shall extend so as to apply to any person who has before the commencement of this Act retired on a retiring allowance from the Public Service Superannuation Fund or the Teachers’ Superannuation Fund or the Government Railways Superannuation Fund and has subsequently (whether before or after the commencement of this Act) become a contributor to any of those funds or to the Government Superannuation Fund.” 15 20

Persons deemed to be permanent officers of the Samoan Public Service.

See Reprint of Statutes, Vol. II, p. 791

9. (1) Section forty-four of the principal Act is hereby amended by adding the following subsection:—

“(8) Notwithstanding anything to the contrary in the Samoa Act, 1921, every person shall be deemed for the purposes of this Act to be a permanent officer of the Samoan Public Service while he is the holder of any of the following offices:— 25

“(a) High Commissioner of Western Samoa:

“(b) Chief Judge of the High Court of Western Samoa: 30

“(c) General Manager of the New Zealand Reparation Estates:

“(d) A representative in Western Samoa of the Audit Office of New Zealand:

“(e) An officer of police or an officer of prisons in Western Samoa.” 35

1949, No. 47

(2) This section shall be deemed to have come into force on the first day of April, nineteen hundred and fifty, being the date of the commencement of the Samoa Amendment Act, 1949. 40

Computation of contributory service in Cook Islands and Samoan Public Services.

10. (1) Section forty-five of the principal Act is hereby amended by omitting the word “ officer ” from subsections one, two, and three, and substituting in each case the word “ employee ”.

(2) This section shall be deemed to have come into force on the first day of April, nineteen hundred and fifty.

11. Section fifty-four of the principal Act is hereby amended by omitting from subsection one the words “ part of his ”.

Refund of contributions on allowances no longer deemed to be salary.

12. (1) Section fifty-five of the principal Act is hereby amended by inserting, after subsection three, the following subsections:—

House allowances, &c. not to be added to salary in certain cases.

10 “(3A) Where any person who is a contributor to the Fund at any time after the commencement of this Act was a contributor to the Public Service Superannuation Fund or the Teachers’ Superannuation Fund on the first day of October, nineteen hundred and twenty-five, and
15 did not make the election prescribed by the proviso to subsection five of section twenty-nine of the Finance Act, 1925, or the election prescribed by section twenty-six of the Finance Act, 1932–33 (No. 2), subsections one and two
20 of this section shall not apply to him unless he so elects by notice in writing delivered to the Secretary of the Board on or before the thirty-first day of March, nineteen hundred and fifty-one, or within such further time as may in any case be allowed by the Board.

1925, No. 51

1932–33, No. 45

25 “(3B) With respect to service in the Education service of any such contributor who does not so elect under subsection *three* A of this section, the following provisions shall apply:—

30 “(a) In the case of a person employed as the head or sole teacher of a public school during any period not earlier than the first day of October, nineteen hundred and thirty-eight, his salary for that period for the purposes of this Part of this Act shall be deemed to be reduced by an amount to be fixed in accordance with regulations under the Education Act, 1914, as the rent for the house provided for his use or, as the case may be, as the rent that would be payable if a house were provided for his use:

See Reprint of Statutes, Vol. II, p. 1007

“(b) In the case of a male person employed as the principal of a secondary school or a combined school or a technical school during any period not earlier than the first day of February, nineteen hundred and forty-four, his salary for that period for the purposes of this Part of this Act shall be deemed to be reduced by an amount to be fixed in accordance with regulations under the Education Act, 1914, as the rent for the house provided for his use or, as the case may be, as the rent that would be payable if a house were provided for his use: 5
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“(c) In the case of any person who during any period not earlier than the first day of February, nineteen hundred and forty-five, while employed as a teacher in a secondary school or a combined school or a technical school and paid additional salary as a resident teacher at any school hostel, is or has been provided with board or lodging in a hostel connected with the school, his salary for that period for the purposes of this Part of this Act shall be deemed to be reduced by the value of the benefit so received as determined by a committee in accordance with subsection two of this section.” 15
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(2) Section fifty-five of the principal Act is hereby further amended by omitting from subsection three the words “ This section ”, and substituting the words “ Subject to the following provisions of this section, subsections one and two of this section ”. 30

13. Section sixty-two of the principal Act is hereby amended by adding the following subsection:—

“(4) Every contributor who, being a permanent member, retires from the regular forces in any case to which subsection one of this section does not apply shall, with the consent of the Board, if the Board is satisfied that his retirement has been consented to by the Service Board, be entitled to receive from the Fund an annual retiring allowance for the rest of his life computed as provided in section thirty-one of this Act if at the date of his retirement the length of his contributory service computed in accordance with this Part of this Act is not less than twenty years: 35
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Retiring allowance of permanent members of regular forces retiring after twenty years' service.

“ Provided that, if the Board in any such case so directs, the retiring allowance shall be computed as if the contributor had retired at such date as the Board may specify, being earlier than the date of his actual retirement but not earlier than the date on which he completed
5 twenty years of contributory service, and in any such case the contributor shall be entitled to receive from the Fund a refund without interest of his contributions to the Fund in respect of his contributory service after the date
10 so specified.”

14. Section eighty of the principal Act is hereby amended by adding the following subsection as subsection two:—

15 “(2) The value of any annuity payable to the widow of any person under this section shall not be deemed to form part of that person’s estate for the purposes of the Death Duties Act, 1921.”

Exemption from death duties of annuities to widows of members.

See Reprint of Statutes, Vol. VII, p. 354

15. Section ninety-one of the principal Act (as amended by section twenty-one of the Superannuation
20 Amendment Act, 1948), is hereby further amended by adding the following subsection:—

25 “(9) Where under Part IV of the Public Service Superannuation Act, 1927, any period has been included in the length of service of any contributor and he is contributing to the Fund at a percentage fixed by reference to his age at any date after the commencement of that period, his contributions to the Fund shall, as from the commencement of this Act, be fixed by reference to his age at the commencement of that period:

30 “ Provided that that period shall be deemed to be a continuous period immediately preceding the contributor’s current period of contributory service, and that the current period of contributory service shall be deemed to include any period to which subsection three
35 of section twenty-three of this Act applies.”

Contributions by teachers who purchased service under Public Service Superannuation Act, 1927.

1948, No. 79
See Reprint of Statutes, Vol. VII, p. 587