

SUPERANNUATION AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends the Superannuation Act 1956.

Clause 1 relates to the Short Title to the Bill and to its commencement. It is provided that *clauses 3 to 5*, which relate to the superannuation rights of Government servants in Western Samoa, shall come into force on the termination on 1 January 1962 of the Trusteeship Agreement for the Territory of Western Samoa.

Clause 2: The principal Act requires cheques drawn on the Government Superannuation Fund Account to be signed by a member of the Board and an authorised officer and countersigned by or on behalf of the Audit Office. The Audit Office proposes that this practice be discontinued and that cheques be signed only by an authorised officer or officers. The clause provides accordingly.

Western Samoan Public Service

Clause 3: Section 2 (1) of the principal Act defines the term "Government service" as including the Western Samoan Public Service. This definition will not be satisfactory after the termination on 1 January 1962 of the Trusteeship Agreement for the Territory of Western Samoa. The definition is therefore amended so as to provide that the term "Government service" shall include, in addition to the other matters specified, the Western Samoan Public Service in respect of service before the termination on 1 January 1962 of the Trusteeship Agreement for the Territory of Western Samoa, and also the service in any capacity of the Government of Western Samoa or of the Western Samoa Trust Estates Corporation in those cases where under *clause 4* of this Bill it is deemed to be Government service.

Clause 4 provides that, with the consent of the Superannuation Board, specified Samoan service by contributors who are or have been employed in the New Zealand Government Service, or by other contributors approved by the Board in special cases, is to be deemed to be Government service. Samoan contributors whose service is not so deemed are to cease to be contributors to the Government Superannuation Fund, but arrangements are being made to protect them through the National Provident Fund and on completion of these arrangements their contributions and the Government subsidies in respect thereof are to be transferred to that Fund. It is made clear by *subclause (3)* that where after 1 January 1962 any person who is for the time being employed in the Government service and is a contributor to the Fund enters the service of the Government of Western Samoa or of the Western Samoa Trust Estates Corporation, that person may, if the Board in its absolute discretion so approves, continue to be a contributor to the Fund.

Clause 5 amends section 50 of the principal Act so as to take away the right of members of the Western Samoan Public Service as such to become contributors to the Government Service Superannuation Fund.

Clause 6 provides that, upon the passing of this Bill, the Superannuation Board shall become the authority to determine whether time spent in the Cook Islands Public Service or the Samoan Public Service shall count as time and a half in cases where that point has to be determined under section 51 (2) and (2B) of the principal Act. The clause also clarifies the meaning of the term "Samoan Public Service" which appears in section 51.

Parliamentary Superannuation

Clause 7: Under *clause 3* of the Civil List Amendment Bill the salary of a member who goes out of office following a general election is to continue for a short time after he goes out of office. In Part VI of the principal Act, which relates to parliamentary superannuation, the definition of the term "member" is consequentially amended so as to include any person who is for the time being receiving the salary of the Prime Minister or any other Minister of the Crown, or of a Parliamentary Under-Secretary, or of the Speaker or Chairman of Committees, or of the Leader or Deputy Leader of the Official Opposition, or of a member of the House of Representatives.

Clause 8 provides for the payment out of the Consolidated Fund into the Parliamentary Superannuation Account of an increased subsidy in respect of each member of Parliament at a rate equal to 10 per cent of an ordinary member's salary. Section 28 of the Superannuation Amendment Act 1959 provides for members to make a like contribution. The present rate of subsidy is 5 per cent. The increase is recommended in paragraph (a) of Part 9 of the report of the Royal Commission Upon Parliamentary Salaries and Allowances laid before Parliament as parliamentary paper H.50 of 1961.

Clause 9 gives effect to the recommendations in paragraphs (b), (c), (d), (g), and (h) of Part 9 of the said report of the Royal Commission. It amends section 84 of the principal Act so as to provide that in future no retiring allowance shall be payable to a member until after nine years' service and the attainment of 50 years of age; that in future the retiring allowance for a member shall be calculated at the rate of one thirty-second of the basic salary for a member as at the date of his ceasing to be a member for each year of service, with a limit of two-thirds of that basic salary; and that in future a member shall be permitted to elect under section 40 to take a variable retiring allowance so as to secure a level income. The existing provisions of the said section 84 are retained but are restricted to existing retiring allowances of former members.

Clause 10: Section 86 of the principal Act governs the position where a person is re-elected as a member after retiring on an allowance. The clause extends the section so as to provide for the variation of an election made under section 40 in such a case.

Clause 11 varies the rate of the annuity payable under section 87 of the principal Act as recommended in paragraphs (e) and (f) of Part 9 of the said report of the Royal Commission. The annuity which a widow may elect to take in future is to be half the allowance for which the member had qualified or £130 a year, whichever is the greater.

Clause 12 gives effect to recommendation (i) of Part 9 of the said report of the Royal Commission, and provides that in no case shall a member or the wife of a member be entitled to less than would have been payable if this Bill had not been passed.

Hon. Mr Lake

SUPERANNUATION AMENDMENT

ANALYSIS

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A BILL INTITULED

An Act to amend the Superannuation Act 1956

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

1. **Short Title and commencement**—(1) This Act may be cited as the Superannuation Amendment Act 1961, and shall be read together with and deemed part of the Superannuation Act 1956 (hereinafter referred to as the principal Act).
- 10 (2) Sections 3 to 5 of this Act shall come into force on the termination on the first day of January, nineteen hundred and sixty-two, of the Trusteeship Agreement for the Territory of Western Samoa.
- 15 (3) The remaining provisions of this Act shall come into force on its passing.

2. Signing of cheques—Section 15 of the principal Act is hereby amended by repealing subsection (2), and substituting the following subsection:

“(2) The Government Superannuation Fund Account shall be operated on by cheque signed by an officer or by officers of the Board for the time being authorised by the Board in that behalf.”

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Western Samoan Public Service

3. Interpretation—Section 2 of the principal Act is hereby amended by omitting from the definition of the term “Government service” in subsection (1) the words “and the Western Samoan Public Service”, and substituting the words “and also includes the Western Samoan Public Service in respect of service before the termination on the first day of January, nineteen hundred and sixty-two, of the Trusteeship Agreement for the Territory of Western Samoa; and also includes the service in any capacity of the Government of Western Samoa or of the Western Samoa Trust Estates Corporation in those cases where under section 4 of the Superannuation Amendment Act 1961 it is deemed to be Government service”.

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4. Contributors with service in Samoa—(1) All persons who, at the termination on the first day of January, nineteen hundred and sixty-two, of the Trusteeship Agreement for the Territory of Western Samoa, are contributors in respect of their service in the Western Samoan Public Service or the Western Samoa Trust Estates Corporation shall thereupon cease to be contributors to the Fund:

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Provided that, where the service of any person is then deemed under subsection (2) of this section to be Government service, that person shall not thereupon cease to be a contributor to the Fund; and, where the service of any person is thereafter deemed under subsection (2) of this section to be Government service, that person shall be deemed not to have ceased to be a contributor to the Fund at the termination of the said Trusteeship Agreement.

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(2) With the consent of the Board in each case, the service in any capacity of the Government of Western Samoa or of the Western Samoa Trust Estates Corporation by any contributor who, at the termination on the first day of January, nineteen hundred and sixty-two, of the Trusteeship Agree-

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ment for the Territory of Western Samoa, is or has been employed in the New Zealand Government Service, or by any other contributor approved by the Board in any special case, shall be deemed by the Board for the purposes of the principal Act to be Government service.

(3) Where after the termination on the first day of January, nineteen hundred and sixty-two, of the said Agreement any person who is for the time being employed in the Government service and is a contributor to the Fund enters the service of the Government of Western Samoa or of the Western Samoa Trust Estates Corporation, that person may, if the Board in its absolute discretion so approves, continue to be a contributor to the Fund.

(4) Subject to the completion of an agreement between the Government of Western Samoa and the National Provident Fund Board pursuant to section 60 of the National Provident Fund Act 1950, there shall be paid into the National Provident Fund:

(a) Out of the Government Superannuation Fund the amount certified by the Government Actuary as being the portion of the Fund held in respect of those persons who cease under subsection (1) of this section to be contributors to the Fund:

(b) Out of the Consolidated Fund, without further appropriation than this section, the amount certified by the Government Actuary as being the present value of the amounts which would have become payable from time to time under subsection (1) of section 95 of the principal Act in respect of service before the termination, on the first day of January, nineteen hundred and sixty-two, of the Trusteeship Agreement for the Territory of Western Samoa of those persons who cease under subsection (1) of this section to be contributors to the Fund.

5. Members of Western Samoan Public Service not entitled as such to become contributors—Section 50 of the principal Act is hereby amended—

(a) By omitting from subsection (1) the words “or of the Western Samoan Public Service”:

(b) By omitting from subsections (2) to (5) the words “or the Western Samoan Public Service” in each place where they occur:

(c) By repealing subsections (7) and (8).

6. Computation of contributory service—(1) Section 51 of the principal Act, as amended by section 15 of the Superannuation Amendment Act 1959, is hereby further amended by omitting from subsection (2) and also from subsection (2B) the words “controlling authority”, and substituting in each case the word “Board”. 5

(2) Section 51 of the principal Act is hereby further amended by adding the following subsection:

“(4) In this section the term “Samoan Public Service” means,— 10

“(a) In respect of the period after the termination on the first day of January, nineteen hundred and sixty-two, of the Trusteeship Agreement for the Territory of Western Samoa, the service in any capacity of the Government of Western Samoa or of the Western Samoa Trust Estates Corporation: 15

“(b) In respect of the period before that termination, the Western Samoan Public Service within the meaning of section 2 of the Samoa Amendment Act 1949, and service in any office in which the holder for the time being of the office was deemed under subsection (8) of section 50 of this Act to be a permanent officer of the Western Samoan Public Service.” 20

Parliamentary Superannuation 25

7. Interpretation—Section 82 of the principal Act is hereby amended by adding to the definition of the term “member” in subsection (1) the words “and includes any person who is for the time being receiving the salary of the Prime Minister or any other Minister of the Crown, or of a Parliamentary Under-Secretary, or of the Speaker or Chairman of Committees, or of the Leader or Deputy Leader of the Official Opposition, or of a member of the House of Representatives”. 30

8. Subsidy of ten per cent from Consolidated Fund—(1) The principal Act (as amended by section 29 of the Superannuation Amendment Act 1959) is hereby further amended by repealing section 83A, and substituting the following section: 35

“83A. There shall be paid out of the Consolidated Fund, without further appropriation than this section, into the Parliamentary Superannuation Account a subsidy in respect of each member at a rate equal to ten per cent of an ordinary member’s salary.” 40

(2) Section 29 of the Superannuation Amendment Act 1959 is hereby consequentially repealed.

9. Retiring allowance of members—(1) Section 84 of the principal Act is hereby amended—

5 (a) By inserting, after the words “nineteen hundred and forty-seven”, the words “and before the passing of the Superannuation Amendment Act 1961”:

(b) By omitting the words “for the rest of his life”, and substituting the words “until he dies or again becomes
10 a member”.

(2) Section 84 of the principal Act is hereby amended by adding, as subsections (2) to (4), the following subsections.

“(2) Where any person ceases to be a member at any time after the passing of the Superannuation Amendment Act
15 1961 after having served as a member for not less than nine years (whether continuously or in two or more separate periods, and whether before or after the passing of that Act), and has attained the age of fifty years, he shall be entitled to an annual retiring allowance until he dies or again becomes
20 a member. The said annual retiring allowance shall commence to be payable to any such person on the day after the date on which he ceased to be a member or on the day on which he attained the age of fifty years, whichever day is the later, and shall be computed as provided in subsection (3) of this
25 section.

“(3) The annual retiring allowance payable to a person under subsection (2) of this section shall comprise one thirty-second part of an ordinary member’s salary at the date when he last ceased to be a member for every year of that person’s
30 service as a member:

“Provided that the annual retiring allowance payable to the person shall not exceed two-thirds of an ordinary member’s salary at that date.

“(4) The provisions of section 40 of this Act shall apply
35 where any person first becomes entitled to any annual retiring allowance payable out of the Parliamentary Superannuation Account under subsection (2) of this section as if—

“(a) That allowance were a retiring allowance which a
40 contributor would be entitled to receive from the Fund on his retirement; and

“(b) Every reference in the said section 40 to the Fund were a reference to the Parliamentary Superannuation Account; and

“(c) The right of election conferred by the said section 40 could be exercised at any time within three months immediately preceding the date of the commencement of the annual retiring allowance or at any time before the acceptance of the first instalment of that retiring allowance.”

10. Re-election as a member after retiring on allowance— Section 86 of the principal Act is hereby amended by adding, as subsection (2), the following subsection:

“(2) Where at any time before any such person again became a member he made an election under section 40 of this Act to surrender from any specified date a specified portion of the retiring allowance which, but for his election, he would be entitled to receive from the Parliamentary Superannuation Account, in order to provide for payment to him from that Account of an increased retiring allowance up to that specified date, the Board may permit him to vary that election upon his subsequently ceasing to be a member on such terms and conditions as the Board thinks fit having regard to the provisions of subsection (5) of that section.”

11. Annuity to widow or refund of contributions on death of member—(1) Subsection (1) of section 87 of the principal Act is hereby amended by omitting the words “who is for the time being a member or has at any time after the twenty-seventh day of November, nineteen hundred and forty-seven, been a member dies, whether before or after becoming entitled to a retiring allowance”, and substituting the words “who, having ceased to be a member, is entitled or will on attaining the age of fifty years become entitled to a retiring allowance under section 84 of this Act dies, or where any person who is for the time being a member dies”.

(2) Section 87 of the principal Act is hereby amended by repealing subparagraph (i) of paragraph (a) of subsection (1), and substituting the following paragraph:

“(i) An annuity during her widowhood at one half of the rate of the retiring allowance to which the deceased person was entitled at the time of his death, or to which he would then have been entitled if he had then attained the age of fifty years,

5 disregarding the effect of any election made
under section 40 of this Act, or (if he were then a
member) at one half of the rate of the retiring
allowance to which (disregarding any such elec-
tion) he would have been entitled under section 84
of this Act if he had retired at the date of his death
and nothing in that section required him to serve
10 as a member for any minimum period, or at the
rate of one hundred and thirty pounds a year,
whichever is the greater:

15 “Provided that, where an annuity under this sub-
paragraph was being paid to a widow at the passing
of the Superannuation Amendment Act 1961, that
annuity shall be paid at two-thirds of the rate of
the retiring allowance to which the deceased per-
son was entitled at the time of his death, or (if he
was then a member) to which he would have been
entitled if he had then ceased to be a member; or”.

20 **12. Saving of existing rights**—Notwithstanding anything to
the contrary in the principal Act as amended by this Act, in
any case where—

25 (a) The rate of the annual retiring allowance that is or
becomes payable under section 84 of the principal
Act to any person who is or has been a member at
the passing of this Act; or

30 (b) The rate of the annuity that is or becomes payable
under section 87 of the principal Act to any person
who at or after the passing of this Act is or becomes
the widow of a person who at the passing of this
Act is or has been a member—

is less than would be payable if this Act had not been passed,
the annual retiring allowance or annuity, as the case may be,
shall be paid at the rate that would have been payable if
this Act had not been passed.