

[AS REPORTED FROM THE COMMITTEE OF THE WHOLE]

House of Representatives, 10 September 1969.

Words struck out by the Committee are shown in italics within bold round brackets; words inserted are shown in roman underlined with a double rule.

Hon. Mr Muldoon

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,
5 as follows:

1. Short Title and commencement—(1) This Act may be cited as the Superannuation Amendment Act 1969, and shall be read together with and deemed part of the Superannuation Act 1956* (hereinafter referred to as the principal Act).

10 (2) This Act shall be deemed to have come into force on the *(1st day of August 1969)* 15th day of June 1969.

2. Rates of contribution to Fund—(1) Section 29 of the principal Act is hereby amended by repealing paragraphs (a) to (f) of subsection (1), and substituting the following
15 paragraphs:

*Reprinted with amendments: 1965, Vol. 3, p. 2141
Amendments: 1966, No. 88; 1967, No. 141; 1968, No. 109

No. 68—2

Price 10c

“(a) Unless the contributor (in accordance with subsection (4) of section 2 of the Superannuation Amendment Act 1969) has duly elected to contribute under paragraph (b) of this subsection,—

“(i) Six percent if his age does not exceed 30 years at the commencement of his contributory service: 5

“(ii) Seven percent if his age then exceeds 30 years but does not exceed 35 years:

“(iii) Eight percent if his age then exceeds 35 years but does not exceed 40 years: 10

“(iv) Nine percent if his age then exceeds 40 years but does not exceed 45 years:

“(v) Ten percent if his age then exceeds 45 years but does not exceed 50 years: 15

“(vi) Eleven percent if his age then exceeds 50 years.

“(b) If the contributor (in accordance with subsection (4) of section 2 of the Superannuation Amendment Act 1969) has duly elected to contribute under this paragraph,— 20

“(i) Five percent if his age does not exceed 30 years at the commencement of his contributory service:

“(ii) Six percent if his age then exceeds 30 years but does not exceed 35 years: 25

“(iii) Seven percent if his age then exceeds 35 years but does not exceed 40 years:

“(iv) Eight percent if his age then exceeds 40 years but does not exceed 45 years: 30

“(v) Nine percent if his age then exceeds 45 years but does not exceed 50 years:

“(vi) Ten percent if his age then exceeds 50 years.”

(2) The Superannuation Amendment Act 1962 is hereby amended by repealing the Schedule thereto, and substituting the Schedule set out in the First Schedule to this Act. 35

(3) In any case where, upon the commencement of this Act, any contributor or class of contributors becomes liable under the foregoing provisions of this section to contribute to the Fund at a rate 1 percent higher than that being contributed previously, the Board may in its discretion permit the contributor or class to defer making the payment of the additional 1 percent until such date or dates as the Board 40

may determine, and the amount of all payments so deferred shall be paid into the Fund at the date or dates so determined and in such manner as the Board may approve.

5 (4) Any person who immediately before the commencement of this Act was a contributor under Part II or Part III of the principal Act, or who has become a contributor under either of those Parts before the 1st day of January 1970, may, at any time before the 1st day of March 1970 or before such
10 later date as the Board may determine in any particular case or class of cases, by notice in writing delivered to the Superintendent, elect (as may be appropriate) to contribute under—

(a) Paragraph (b) of subsection (1) of section 29 of the principal Act; or

15 (b) Part II of the Schedule to the Superannuation Amendment Act 1962.

(5) Where any person so elects, as from the commencement of this Act,—

(a) Any contributions payable by that person while he continues to be a contributor shall be payable in
20 accordance with his election; and

(b) Any retiring allowance payable to that person, and any allowance payable to an approved dependant of that person, and any annuity payable to the widow or dependent widower of that person, in respect of
25 his current period of contributory service, shall be computed and paid as if this Act had not been passed.

3. Adjustable allowances and annuities—The following allowances and annuities shall be adjustable in accordance
30 with the following provisions of this Act:

(a) Retiring allowances payable under section 35 of the principal Act:

(b) Retiring allowances payable under section 36 of the principal Act:

35 (c) Annuities payable under section 45 of the principal Act:

(d) Annuities payable under section 46 of the principal Act:

40 (e) Annual allowances payable under section 48 of the principal Act:

(f) Retiring allowances payable under section 68 of the principal Act:

(g) Retiring allowances payable under section 69 of the principal Act.

4. Provision for annual adjustment—Subject to the provisions of this Act, every retiring allowance, annual allowance, and annuity specified in section 3 of this Act shall be adjusted annually where appropriate on and after the date of the first 4-weekly payment of the retiring allowance, annual allowance, or annuity under section 89 of the principal Act in each financial year commencing on the 1st day of April and ending with the 31st day of March: 5

Provided that the adjustment in the year 1969 shall be made on and after the commencement of this Act. 10

5. Percentage of annual adjustment—(1) Except as otherwise provided in this section, the aggregate percentage of increase to be applied to a basic allowance in accordance with section 6 of this Act for the purpose of determining the annual adjustment for any year shall be the percentage (if any) calculated to two decimal places, as certified by the Government Statistician and proportionately adjusted (where appropriate) in accordance with the Second Schedule to this Act, by which the annual all groups index number of the New Zealand Consumer's Price Index for the calendar year immediately preceding that which includes the date for the annual adjustment exceeds the basic index number, being,— 15 20

(a) In any case where the second proviso to subsection (2) of section 7 of this Act applies, the said index number for the calendar year immediately preceding the calendar year in which the first day of the beneficiary's qualifying year determined as aforesaid falls: 25

(b) In any other case where the date of qualification determined under the Third Schedule to this Act falls between the 1st day of October and the 31st day of March (both days inclusive), the said index number for the calendar year in which the first day of the beneficiary's qualifying year as determined under subsection (1) of section 7 of this Act falls: 30 35

(c) In any case to which neither paragraph (a) nor paragraph (b) of this subsection applies, an index number midway between the index number for the last mentioned calendar year and the index number for the immediately preceding calendar year. 40

(2) No adjustment shall be made for any year when the aggregate percentage of increase (if any) has not increased by at least half of one percent since the last adjustment.

6. Amount of annual adjustment—(1) For the purposes of this section the term “basic allowance” means the annual amount of the retiring allowance, annual allowance, or annuity as initially payable under the principal Act, after the effect of any election made under section 48 or section 91 of that Act or under the corresponding provisions of any former Act, but disregarding the effect of any election made under section 40 of that Act or under the corresponding provisions of any former Act; and (subject as aforesaid) includes any increases provided under the principal Act and any other Act except this Act, and any cost of living bonus granted and still payable.

(2) The annual amount of the retiring allowance, annual allowance, or annuity to be paid on and after the date of any annual adjustment until the next adjustment shall be determined by ascertaining the aggregate percentage of increase (determined under section 5 of this Act and taken into account having regard to section 7 of this Act), and applying it to the basic allowance, and adding the amount so ascertained to the basic allowance:

Provided that the annual amount of any retiring allowance as so determined, to be paid on and after the date of any annual adjustment, shall be increased or reduced, as the case may be, in accordance with any election by the contributor under section 40 of the principal Act or under the corresponding provisions of any former Act.

7. Initial adjustments—(1) For the purposes of subsection (2) of this section,—

“Date of qualification”, in relation to any beneficiary, means his date of qualification as determined under the Third Schedule to this Act:

Provided that the Board may, in its discretion and subject to such terms and conditions as it thinks fit, (*in any special case*) deem the date of qualification in relation to a retiring allowance payable to the beneficiary under section 36 or section 69 of the principal Act to be earlier than the date as determined under that Schedule:

“Qualifying year”, in relation to any beneficiary, means the financial year commencing on the 1st day of April and ending with the 31st day of March in which the date of qualification of the beneficiary falls.

(2) The initial adjustment to be made to any retiring allowance, annual allowance, or annuity shall be made on and after the first annual adjustment date as determined under section 4 of this Act after the termination of the financial year following the beneficiary's qualifying year: 5

Provided that, in the event of the death of any contributor during the period between his date of qualification and the date for his initial adjustment as determined under this subsection, the initial adjustment to any annual allowance to an approved dependant of that contributor or to the annuity of the widow or dependent widower of that contributor shall be made on and after the date on which the initial adjustment would have been made if the contributor were still alive; and for the purposes of subsection (1) of section 5 of this Act the same basic index number shall apply as would apply if the contributor were still alive: 10 15

Provided also that, in the event of the death of any contributor at any time after the date of his initial adjustment as determined under this section, the initial adjustment of any annual allowance to the approved dependant of that contributor or to the annuity payable to the widow or the dependent widower of that contributor shall be made on the date on which the next annual adjustment would have been made to the retiring allowance of that contributor if he were still alive: 20 25

Provided further that the first and second provisos to this subsection shall not apply in any case where the date of the contributor's initial adjustment or next annual adjustment would be earlier than the qualifying date of the approved dependant, widow, or dependent widower of that contributor as determined under the Third Schedule to this Act. 30

(3) The initial adjustment and all subsequent adjustments to any retiring allowance, annual allowance, or annuity payable immediately before the commencement of this Act shall be made as if this Act had commenced on the 31st day of March 1956: 35

Provided that no increased payment shall be made in respect of any period before the commencement of this Act.

8. Limit to amount of annual adjustment—Notwithstanding anything to the contrary in this Act, the amount to be added to any basic allowance pursuant to subsection (2) of section 6 of this Act shall not exceed— 40

- (a) Four hundred dollars in respect of any adjustment to be made upon the commencement of this Act:
- (b) Four hundred and forty dollars in respect of any adjustment to be made in April 1970:
- 5 (c) The last mentioned amount, increased as if compound interest at the rate of 10 percent per annum had been added, in respect of subsequent adjustments.

9. **Annuity of widow or widower who remarries**—Where
 10 any annuity payable to a widow under section 45 of the principal Act or to a dependent widower under section 46 of that Act has ceased to be payable on his or her remarriage, whether before or after the commencement of this Act, and has again become payable because the beneficiary has again become a widow or widower, as the case may be, any adjust-
 15 ments to that annuity shall be made as if it had been payable throughout:

Provided that no annuity shall be payable in respect of the period while that remarriage continued.

10. **Application of principal Act to Second Schedule**—For
 20 the purposes of the Second Schedule to this Act—

- (a) The effect of the second proviso to subsection (5) of section 26 of the principal Act and of the second proviso to subsection (4) of section 67 of that Act shall be disregarded:
- 25 (b) Any period covered by an election under section 25 of the principal Act shall be deemed to be contributory service after the **(31st day of July 1969)** 14th day of June 1969 only to such extent as the Board may determine.

30 11. **Board may make certain adjustments**—Notwithstanding anything in this Act, if at any time it appears to the Board that for an extended period there has been no significant increase in the cost of living, the Board may make such **(adjustments)** increases to the retiring allowance of any con-
 35 tributor or to the annual allowance of any approved dependant of any contributor or to the annuity of the widow or dependent widower of any contributor as the Board, on the advice of the Government Actuary, considers warranted.

SCHEDULES

Section 2 (2)

FIRST SCHEDULE

NEW SCHEDULE TO THE SUPERANNUATION AMENDMENT ACT 1962

Section 19

"FIRST SCHEDULE

RATES OF CONTRIBUTION TO SUPERANNUATION FUND BY MEMBERS OF THE
POLICE OR OF THE PRISONS SERVICE

*Part I—Members Who Have Not Duly Elected (in Accordance With
Subsection (4) of Section 2 of the Superannuation Amendment Act
1969) to Contribute Under Part II of this Schedule*

Age at Commencement of Contributory Service	Percentage of Salary to be Deducted as Contributions to Superannuation Fund
Not exceeding 21 years	6.0
Exceeding 21 years but not exceeding 22 years	6.2
Exceeding 22 years but not exceeding 23 years	6.4
Exceeding 23 years but not exceeding 24 years	6.6
Exceeding 24 years but not exceeding 25 years	6.8
Exceeding 25 years but not exceeding 30 years	7.0
Exceeding 30 years but not exceeding 35 years	8.2
Exceeding 35 years but not exceeding 40 years	9.4
Exceeding 40 years but not exceeding 45 years	10.6
Exceeding 45 years but not exceeding 50 years	11.8
Exceeding 50 years	13.0

*Part II—Members Who Have Duly Elected (in Accordance With
Subsection (4) of Section 2 of the Superannuation Amendment Act
1969) to Contribute under this Part*

Age at Commencement of Contributory Service	Percentage of Salary to be Deducted as Contributions to Superannuation Fund
Not exceeding 21 years	5.0
Exceeding 21 years but not exceeding 22 years	5.2
Exceeding 22 years but not exceeding 23 years	5.4
Exceeding 23 years but not exceeding 24 years	5.6

Age at Commencement of Contributory Service	Percentage of Salary to be Deducted as Contributions to Superannuation Fund
Exceeding 24 years but not exceeding 25 years	5.8
Exceeding 25 years but not exceeding 30 years	6.0
Exceeding 30 years but not exceeding 35 years	7.2
Exceeding 35 years but not exceeding 40 years	8.4
Exceeding 40 years but not exceeding 45 years	9.6
Exceeding 45 years but not exceeding 50 years	10.8
Exceeding 50 years	12.0

SECOND SCHEDULE

Section 5.

PROPORTION OF PERCENTAGE TO BE APPLIED TO ANY RETIRING ALLOWANCE, ANNUAL ALLOWANCE, OR ANNUITY

1. Where the contributory service terminated before the (1st day of August 1969) 15th day of June 1969 60 percent.
2. Where the contributory service commenced before the (1st day of August 1969) 15th day of June 1969, and has not terminated by that date 60 percent plus a percentage calculated in accordance with the following formula:

$$\frac{a}{b} \times 40 \text{ percent}$$
 where—
 - a is the period of contributory service after the (31st day of July 1969) 14th day of June 1969; and
 - b is the total period of contributory service,—the calculation to be to the nearest whole number percent unless the application of the formula gives a figure exactly half of one percent below a whole number percent, in which case the calculation shall be to the nearest whole number percent above.
3. Where the contributory service commences on or after the (1st day of August 1969) 15th day of June 1969 100 percent.

Section 7

THIRD SCHEDULE

DATE OF QUALIFICATION

1. A retiring allowance payable under any of the provisions of sections 35, 36, 68, and 69 of the principal Act The latest of—
 (a) The date of attaining the age of 60 years; or
 (b) The day immediately preceding the date on which the first instalment of the retiring allowance was or will be payable; or
 (c) The 31st day of March 1956.
2. An annuity payable under any of the provisions of sections 45 and 46 of the principal Act The latest of—
 (a) The date of attaining the age of 55 years; or
 (b) The day immediately preceding the date on which the first instalment of the annuity was or will be payable; or
 (c) The 31st day of March 1956.
3. An annual allowance payable under section 48 of the principal Act The latest of—
 (a) The day immediately preceding the date on which the first instalment of the annual allowance was or will be payable; or
 (b) The date on which the contributor, if he were still alive, would have attained the age of 60 years; or
 (c) The 31st day of March 1956.