

SOCIAL SECURITY AMENDMENT BILL, 1947

EXPLANATORY NOTES

Clause 1: Short Title and commencement.—This clause fixes the date on which the provisions of this Bill come into operation as 1st October, 1947. Two exceptions are provided for in clauses 17 and 19 of the Bill, the provisions of which will be deemed to have come into force on 1st April, 1946, and 1st April, 1947, respectively.

ADMINISTRATION

Clause 2: Delegation of powers of Commission.—This clause is to facilitate the general administration. The number of beneficiaries on the roll has trebled since 1939, and with the large increase in the work of the Department it is desirable that the Social Security Commission should be given authority to delegate some of its powers to its district officers. These powers would include, in appropriate cases, power to grant benefits. The delegation of powers in the manner indicated would assist applicants in that a decision could be given by the District Officer earlier than if the case had to be referred to Wellington, and the work of the Department generally would be expedited.

Power is given in the clause to the Commission to review any decision of a District Officer, and also to the applicant to appeal to the Commission against the decision of a District Officer.

MONETARY BENEFITS

Superannuation Benefits

Clause 3: Increasing rate of superannuation benefits.—The amendment, by increasing the ultimate maximum of the superannuation benefit from £104 a year to £117 a year, ensures that this grant is kept in line with the rate of age benefit. The benefit was introduced from 1st April, 1940, at the rate of £10 per annum, and, in accordance with the provisions of section 13 of the principal Act, has been increased by £2 10s. a year in every year since then. The present rate is £27 10s. a year and from 1st April next the rate will be £30 a year. The benefit is payable without a means test to persons of 65 years and over and will eventually replace the age benefit for all persons over 65 years.

Age-benefits

Clause 4: Increasing rate of age-benefits.—This amendment is in pursuance of the Government's promise in the Budget to increase the basic rates of all benefits by 5s. a week.

The increase in the case of age-benefits is from £104 a year to £117 a year (*i.e.*, from £2 to £2 5s. a week).

Clause 5: Section 17 of principal Act amended.—This clause provides for increasing the additional benefit payable to a married age-beneficiary in respect of an under-age wife from £104 a year to £117 a year, and for consequential amendments to the income exemption and the limit of income

and benefit, to ensure that all beneficiaries receive the full benefit of the increases in the basic rates. The amendments also bring the limit of income and benefit, where only one of the parties is receiving a benefit, into line with the limit of £286 per annum where both are drawing the benefit. The following table sets out the position in the two different cases:—

	Both drawing Benefit.	One drawing Benefit.
	£	£
Benefit for husband	117	117
Benefit for wife	117	..
Other income allowed	52	169
Total	<u>£286</u>	<u>£286</u>

Clause 6: Section 19 of principal Act amended.—This clause merely increases the limit of benefit and income of an age-beneficiary who is in receipt of the special allowance of £13 13s. per annum payable to South African veterans, to ensure that such beneficiaries receive the full benefit of the increase of 5s. a week in the basic rate of age-benefit.

Widows' Benefits

Clause 7: Section 22 of principal Act amended.—Section 22 (2) of the principal Act already provides for grants of widows' benefits to the wives of persons in respect of whom reception orders are in force under the Mental Defectives Act, 1911, or who are detained in an institution under that Act as voluntary boarders.

In case any alternative procedure is adopted for the admission of persons to mental hospitals, section 22 of the Social Security Act is now being amended to permit of the wife of *any* person detained in a mental institution being granted a benefit as if she were a widow, if she satisfies the conditions applicable to grants of widows' benefits.

Clause 8: Increasing rate of widows' benefits.—This clause provides for an increase of 5s. a week in the basic rate of widows' benefits by amending the present annual rate of £104 to £117, or from £2 a week to £2 5s. a week.

Orphans' Benefits

Clause 9: Increasing rate of orphans' benefits.—The existing rate of orphans' benefits, £40 19s. a year, has remained unchanged since 1st July, 1943, although substantial increases have been made in other benefits since that date.

It is proposed to increase the benefits for orphans from £40 19s. to £52 a year.

Orphans do not receive the family benefit of 10s. a week.

Invalids' Benefits

Clause 10: Increasing rates of invalids' benefits.—Paragraphs (a), (b), and (c) of clause 10 provide for increases of 5s. a week in the basic rates for every class of invalids' benefit. The existing rates and the proposed new rates are as follows:—

	Present Rate.	Proposed Rate.
Married man ..	£104 (£2 a week)	£117 (£2 5s. a week)
Additional amount for wife ..	£104 (£2 a week)	£117 (£2 5s. a week)
Unmarried person under 20 years	£78 (£1 10s. a week)	£91 (£1 15s. a week)
All other bene- ficiaries ..	£104 (£2 a week)	£117 (£2 5s. a week)

Paragraph (d) provides for an increase in the income exemption of a married female applicant from £156 to £169 per annum to bring the maximum of income and benefit of the married couple up to the new maximum of £286 as for age-benefits.

Paragraphs (e) and (f) are machinery clauses extending the increased basic rate to married women invalids whose husbands are required to pay for domestic or nursing assistance in the home. The limit of income and benefit is raised from £7 a week to £7 5s. a week to cover the increased benefit.

Clause 11: Section 35 of principal Act amended.—This is another machinery clause and relates to the payment of a subsidy on the personal earnings of a blind beneficiary. It is necessary to increase the limit of benefit and personal earnings and subsidy from £260 to £273 per annum to cover the increase of 5s. a week in the basic rate of benefit.

Miners' Benefits

Clause 12: Increasing rates of miners' benefits.—This clause merely increases the basic rate of miners' benefit from £104 to £117 a year.

Clause 13: Section 44 of principal Act amended.—This clause increases the rate of benefit payable to the widow of a miner from £78 a year to £91 a year. The benefit is payable to a widow whose husband was in receipt of a miner's benefit at the date of his death.

Sickness Benefits

Clause 14: Increasing rates of sickness benefits. This clause provides for an all-round increase of 5s. a week in sickness benefits.

The weekly rates are:—

	Present Rate.	New Rate.
Applicant under 20 years with- out dependants ..	20s. a week	25s. a week.
Other applicants ..	40s. a week	45s. a week.
Additional amount for wife ..	40s. a week	45s. a week.

The maximum benefit for a married man will, under this clause, be increased from £4 a week to £4 10s. a week.

Unemployment Benefits

Clause 15: Increasing rates of unemployment benefits.—This amendment provides for increases of 5s. a week in the rates of unemployment benefits.

Particulars are:—	Present Rate.	New Rate.
Applicant under 20 years with- out dependants ..	20s. a week	25s. a week.
All other applicants ..	40s. a week	45s. a week.
Additional amount for wife ..	40s. a week	45s. a week.

Maori War Benefits

Clause 16: Increasing rate of Maori War benefits.—This clause increases the rate of the Maori War benefit from £104 to £117 per annum. It was necessary to provide this amendment as there is one Maori War Veteran still living.

General

Clause 17: Family benefits for children of servicemen.—Section 62 (a) of the principal Act provides that a family benefit shall not be paid in respect of any child for whom a pension or allowance under the War Pensions Act, 1943, or *any other enactment* is for the time being payable out of public moneys. The effect of the amendment is to remove the bar to payment of family benefit to members of the Forces and to validate payments already made to such persons since 1st April, 1946.

Clause 18: Period for which benefits payable.—Section 67 (2) of the principal Act provides that every benefit under Part II of the Act shall continue to be payable for such period (not exceeding twelve months in any case) as the Commission may determine, but may from time to time be renewed for a further period not exceeding twelve months. In view of the fact that the superannuation, family, and miners' benefits are payable without a means test, no good purpose is served by limiting the grant or renewal to a period of twelve months and the amendment now proposed will permit the Social Security Commission to make grants for longer periods in the case of those benefits, but will not disturb the limit of twelve months for other benefits.

Clause 19: Persons absent on Government service deemed resident in New Zealand.—This amendment has been introduced consequent upon the amendment to section 110 of the principal Act contained in section 15 of the Finance Act, 1947, whereby persons absent from New Zealand in the employ of the New Zealand Government are now required to pay the social security charge as if they were resident in New Zealand. It is proposed that any such period of absence during which the persons concerned were liable for the social security charge shall be treated as a period of residence in New Zealand on their applying for a benefit on their return to New Zealand. The amendment applies only to the residential qualification for benefits and does not vary the provisions of section 70 of the principal Act restricting the payment of benefits during the absence of a beneficiary from New Zealand.

MEDICAL AND HOSPITAL BENEFITS, AND OTHER RELATED BENEFITS

Clause 20: As to special arrangements for medical and hospital benefits.—Section 82 of the principal Act provides that the Minister may make special arrangements *in lieu* of any benefits under Part III of that Act. Such arrangements have been made in isolated areas, coal-mining districts, &c., by the appointment of a doctor on a salaried basis. Where this has been done the provisions of the General Medical Services Regulations have been suspended in the district by declaring it a special area. Under this arrangement the choice of residents has been restricted to the doctor appointed. This amendment to section 82 will enable residents of special areas to seek medical attention from a doctor other than the resident medical practitioner and obtain a refund under the General Medical Services Regulations in the usual way. Visitors to a special area will also be entitled to treatment at the hands of the resident medical practitioner.

Clause 21: Scope of pharmaceutical benefits.—Section 89 of the principal Act in its present form places no statutory restrictions whatever on the types of medicines and drugs to which a patient is to be entitled by way of pharmaceutical benefits. Restrictions, however, have since the inception of pharmaceutical benefits been made in the Social Security Pharmaceutical Supplies Regulations 1941 and the Drug Tariffs issued thereunder. As there is some doubt as to the validity of such restriction by way of regulation only, the term “prescribed” is now applied to “medicines” and “drugs” in section 89 itself. The term “prescribed” is used in its legal sense, *e.g.*, prescribed by regulation, and does not relate to medical prescription.

Hon. Mr. Parry

SOCIAL SECURITY AMENDMENT

ANALYSIS

Title.	
1. Short Title and commencement.	<i>Miners' Benefits</i> 12. Increasing rates of miners' benefits. 13. Section 44 of principal Act amended. Repeal.
ADMINISTRATION	
2. Delegation of powers of Commission.	<i>Sickness Benefits</i> 14. Increasing rates of sickness benefits.
MONETARY BENEFITS	
<i>Superannuation Benefits</i>	
3. Increasing rate of superannuation benefits. Repeal.	<i>Unemployment Benefits</i> 15. Increasing rates of unemployment benefits.
<i>Age-benefits</i>	
4. Increasing rate of age-benefits. Repeal.	<i>Maori War Benefits</i> 16. Increasing rate of Maori War benefits. Repeal.
5. Section 17 of principal Act amended. Repeals.	<i>General</i> 17. Family benefits for children of servicemen. 18. Period for which benefits payable. 19. Persons absent on Government service deemed resident in New Zealand.
6. Section 19 of principal Act amended. Repeals.	MEDICAL AND HOSPITAL BENEFITS, AND OTHER RELATED BENEFITS
<i>Widows' Benefits</i>	
7. Section 22 of principal Act amended.	20. As to special arrangements for medical and hospital benefits. 21. Scope of pharmaceutical benefits.
8. Increasing rate of widows' benefits.	
<i>Orphans' Benefits</i>	
9. Increasing rate of orphans' benefits. Repeal.	
<i>Invalids' Benefits</i>	
10. Increasing rates of invalids' benefits.	
11. Section 35 of principal Act amended. Repeal.	

A BILL INTITULED

Title.

AN ACT to amend the Social Security Act, 1938.

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

Short Title
and
commencement.
1938, No. 7

1. (1) This Act may be cited as the Social Security Amendment Act, 1947, and shall be read together with and deemed part of the Social Security Act, 1938 (hereinafter referred to as the principal Act).

(2) Except as otherwise hereinafter provided, this Act shall be deemed to have come into force on the first day of October, nineteen hundred and forty-seven.

ADMINISTRATION

Delegation of
powers of
Commission.

2. (1) With the written consent of the Minister of Social Security, the Commission may from time to time, either generally or particularly, delegate to any Registrar or other officer of the Department such of its powers under Part II of the principal Act as it thinks fit.

(2) Subject to the provisions of this section and to any general or special directions given or conditions attached by the Commission, the officer to whom any powers are delegated under this section may exercise those powers in the same manner and with the same effect as if they had been conferred on him directly by this section and not by delegation.

(3) Every person purporting to act pursuant to any delegation under this section shall be presumed to be acting in accordance with the terms of the delegation in the absence of proof to the contrary.

(4) Any delegation under this section may be made to a specified officer or to officers of a specified class, or may be made to the holder or holders for the time being of a specified office or class of offices.

(5) Any delegation under this section may be at any time revoked by the Commission, in whole or in part, and no such delegation shall prevent the exercise of any power by the Commission.

(6) Any applicant or beneficiary affected by any decision made by any officer in the exercise of any powers conferred on him by delegation under this section may, within three months after the communication of the decision to him, appeal therefrom to the Commission.

(7) The Commission shall review every decision appealed from as aforesaid, and may at any time, of its own motion, review any other decision made by any officer in the exercise of any powers conferred on him by delegation under this section, and in any such case the Commission may, in accordance with the provisions of the principal Act, confirm, vary, or revoke the decision.

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MONETARY BENEFITS

Superannuation Benefits

3. (1) Section thirteen of the principal Act, as amended by section four of the Social Security Amendment Act, 1945, is hereby further amended by omitting from subsection two the words "one hundred and four pounds", and substituting the words "one hundred and seventeen pounds".

Increasing
rate of
superannuation
benefits.
1945, No. 11

(2) Section four of the Social Security Amendment Act, 1945, is hereby repealed.

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Age-benefits

4. (1) Section sixteen of the principal Act, as amended by section five of the Social Security Amendment Act, 1945, is hereby further amended by omitting from subsection one the words "one hundred and four pounds", and substituting the words "one hundred and seventeen pounds".

Increasing
rate of age-
benefits.
1945, No. 11

(2) Section five of the Social Security Amendment Act, 1945, is hereby repealed.

5. (1) Section seventeen of the principal Act, as amended by section six of the Social Security Amendment Act, 1945, is hereby further amended as follows:—

Section 17
of principal
Act amended.

(a) By omitting from paragraph (b) of subsection two the words "one hundred and fifty-six pounds", and substituting the words "one hundred and sixty-nine pounds":

(b) By omitting from the proviso to the same paragraph the words "one hundred and four pounds", and substituting the words "one hundred and seventeen pounds":

(c) By omitting from the same proviso the words “two hundred and sixty pounds”, and substituting the words “two hundred and eighty-six pounds”.

Repeals. (2) Paragraphs (a), (b), and (c) of subsection one of section six of the Social Security Amendment Act, 1945, are hereby repealed. 5

Section 19 of principal Act amended. 1945, No. 11. 6. (1) Section nineteen of the principal Act, as amended by section eight of the Social Security Amendment Act, 1945, is hereby further amended by omitting from the proviso the words “one hundred and fifty-six pounds”, and substituting the words “one hundred and sixty-nine pounds”. 10

Repeals. (2) Section eight of the Social Security Amendment Act, 1945, is hereby amended by repealing paragraph (b) of subsection one and subsection two. 15

Widows' Benefits

Section 22 of principal Act amended. 7. Section twenty-two of the principal Act is hereby amended by omitting from paragraph (b) of subsection two the words “or whose husband is for the time being detained as a voluntary boarder under Part V of that Act”, and substituting the words “or whose husband is for the time being detained in an institution under that Act, whether as a voluntary boarder or otherwise”. 20

Increasing rate of widows' benefits. 1946, No. 22. 8. Section twenty-three of the principal Act (as set out in section two of the Social Security Amendment Act, 1946) is hereby amended by omitting from paragraph (a) the words “one hundred and four pounds”, and substituting the words “one hundred and seventeen pounds”. 25 30

Orphans' Benefits

Increasing rate of orphans' benefits. 1943, No. 19. 9. (1) Section twenty-seven of the principal Act, as amended by section fifteen of the Social Security Amendment Act, 1943, is hereby further amended by omitting the words “forty pounds nineteen shillings”, and substituting the words “fifty-two pounds”. 35

Repeal. (2) Section fifteen of the Social Security Amendment Act, 1943, is hereby repealed.

Invalids' Benefits

10. Section thirty-four of the principal Act (as set out in section eighteen of the Social Security Amendment Act, 1945) is hereby amended as follows:—
- 5 (a) By omitting from paragraph (a) of subsection one the words "one hundred and four pounds" wherever they occur, and substituting in each case the words "one hundred and seventeen pounds":
- 10 (b) By omitting from paragraph (b) of the same subsection the words "seventy-eight pounds", and substituting the words "ninety-one pounds":
- 15 (c) By omitting from paragraph (c) of the same subsection the words "one hundred and four pounds", and substituting the words "one hundred and seventeen pounds":
- 20 (d) By omitting from sub-paragraph (i) of paragraph (c) of subsection two the words "one hundred and fifty-six pounds", and substituting the words "one hundred and sixty-nine pounds":
- 25 (e) By omitting from the proviso to paragraph (c) of the same subsection the words "one hundred and four pounds", and substituting the words "one hundred and seventeen pounds":
- 30 (f) By omitting from the same proviso the words "seven pounds", and substituting the words "seven pounds five shillings".
11. (1) Section thirty-five of the principal Act, as amended by section nineteen of the Social Security Amendment Act, 1945, is hereby further amended by omitting from the proviso the words "two hundred and sixty pounds", and substituting the words "two hundred and seventy-three pounds".
- 35 (2) Section nineteen of the Social Security Amendment Act, 1945, is hereby repealed.

Increasing rates of invalids' benefits.
1945, No. 11

Section 35 of principal Act amended.
1945, No. 11

Repeal.

Miners' Benefits

Increasing
rates of
miners'
benefits.
1945, No. 11

12. Section forty-one of the principal Act (as set out in section twenty-one of the Social Security Amendment Act, 1945) is hereby amended by omitting the words "one hundred and four pounds" wherever they occur, and substituting in each case the words "one hundred and seventeen pounds".

Section 44 of
principal Act
amended.
1945, No. 11

13. (1) Section forty-four of the principal Act, as amended by section twenty-two of the Social Security Amendment Act, 1945, is hereby further amended by omitting the words "seventy-eight pounds", and substituting the words "ninety-one pounds".

Repeal.

(2) Section twenty-two of the Social Security Amendment Act, 1945, is hereby repealed.

Sickness Benefits

Increasing
rates of
sickness
benefits.
1945, No. 11

14. Subsection two of section forty-six of the principal Act (as set out in section twenty-three of the Social Security Amendment Act, 1945) is hereby amended as follows:—

- (a) By omitting from paragraph (a) the words "twenty shillings", and substituting the words "twenty-five shillings":
- (b) By omitting from paragraph (b) (but not the proviso thereto) the words "forty shillings", wherever they occur, and substituting in each case the words "forty-five shillings".

Unemployment Benefits

Increasing
rates of
unemployment
benefits.
1945, No. 11

15. Section fifty-two of the principal Act, as amended by section twenty-five of the Social Security Amendment Act, 1945, is hereby further amended as follows:—

- (a) By omitting from paragraph (a) of subsection one the words "twenty shillings", and substituting the words "twenty-five shillings":
- (b) By omitting from paragraph (b) of the same subsection the words "forty shillings" wherever they occur, and substituting in each case the words "forty-five shillings".

Maori War Benefits

16. (1) Section fifty-seven of the principal Act, as amended by section twenty-eight of the Social Security Amendment Act, 1945, is hereby further amended by omitting the words "one hundred and four pounds", and substituting the words "one hundred and seventeen pounds".

Increasing rate of Maori War benefits. 1945, No. 11

(2) Section twenty-eight of the Social Security Amendment Act, 1945, is hereby repealed.

Repeal.

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General

17. (1) Nothing in paragraph (a) of section sixty-two of the principal Act shall prevent the Commission from paying, in its discretion, a family benefit in respect of any child of a member of any of His Majesty's Naval, Military, or Air Forces.

Family benefits for children of servicemen.

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

18. Section sixty-seven of the principal Act is hereby amended by repealing subsection two, and substituting the following subsection:—

Period for which benefits payable.

"(2) Subject to any limitations imposed by this Part of this Act, every superannuation benefit, family benefit, and miner's benefit shall continue to be payable for such period as the Commission may determine, and may from time to time be renewed for any further period. Every other benefit shall continue to be payable for such period (not exceeding twelve months in any case) as the Commission may determine, but may from time to time be renewed for a further period not exceeding twelve months. Every application for renewal shall be investigated as if it were an application for the grant of a benefit in the first instance."

19. (1) Where any person, while in the service in any capacity of the Government of New Zealand, is liable for the payment of social security charge in respect of any period during which he is not in New Zealand (whether by reason of his being deemed to be ordinarily resident in New Zealand or otherwise), then, for the purposes of Part II of the principal Act,—

Persons absent on Government service deemed resident in New Zealand.

(a) That person shall be deemed to be resident in New Zealand during that period:

(b) If the wife or any child of that person is with him during that period or any part thereof, the wife or child shall be deemed to be resident in New Zealand during that period or that part thereof, as the case may be: 5

(c) Any child of that person born out of New Zealand during that period shall be deemed to have been born in New Zealand.

(2) Nothing in subsection *one* of this section shall be construed to modify in any way the provisions of subsections one, two, and three of section seventy of the principal Act (which relate to the effect of absence on the right to receive benefits). 10

(3) This section shall be deemed to have come into force on the first day of April, nineteen hundred and forty-seven. 15

MEDICAL AND HOSPITAL BENEFITS, AND OTHER RELATED BENEFITS

As to special arrangements for medical and hospital benefits.

20. Section eighty-two of the principal Act is hereby amended as follows:— 20

(a) By inserting in subsection one, after the words “in lieu of”, the words “or in addition to”:

(b) By repealing subsection two.

Scope of pharmaceutical benefits.

21. Section eighty-nine of the principal Act is hereby amended by inserting in subsection one, before the word “medicines”, and also before the word “drugs”, the word “prescribed”. 25