

Rt. Hon. R. J. Seddon.

TEACHERS' SUPERANNUATION.

ANALYSIS.

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A BILL INTITULED

AN ACT to establish a Superannuation Fund for Teachers and Others in the Service of Education Boards and other Educational Bodies. Title.

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

1. The Short Title of this Act is "The Teachers' Superannuation Act, 1905," and it shall come into operation on the first day of 10 January, one thousand nine hundred and six. Short Title.

2. In this Act, if not inconsistent with the context,— Interpretation.
"Board" means the Teachers' Superannuation Board under this Act:

"Contributor" or "member" means a person who contributes to the fund:

15 "Education Board" means an Education Board under "The Education Act, 1904":

"Fund" means the Teachers' Superannuation Fund:

- "Medically unfit for further duty" means that, on the certificate of at least two medical practitioners approved by the Board, it is established to the satisfaction of the Board that, by reason of mental or bodily infirmity not caused by irregular or intemperate habits, the contributor has become permanently unable to perform his duties: 5
- "Minister" means the Minister of Education:
- "New entrant" means a person who is first permanently employed in the Education service after the coming into operation of this Act: 10
- "Original member" means a person who at the coming into operation of this Act is permanently employed in the Education service:
- "Public school" means a public school as defined by "The Education Act, 1904": 15
- "Salary" of a contributor means the actual sum paid to him as salary in respect of his service, but does not include allowances or payment for overtime:
- "Secondary school" means a secondary school as defined by "The Education Act, 1904." 20
- "Service" or "Education service" means service under an Education Board or the governing body of a secondary school subsequent to the coming into operation of "The Education Act, 1877"; and "length of service" means the number of years completed in the service of one or more of such bodies, whether such service be continuous or not: 25
- "Teacher" means a certificated teacher or a teacher holding a degree granted by any British university.

The Fund. 30

Superannuation Fund.

3. (1.) There is hereby established a fund to be called "The Teachers' Superannuation Fund."

(2.) The fund shall consist of—

- (a.) The contributions of persons in the Education service, as hereinafter provided; 35
- (b.) Moneys at any time paid into the fund under sections twenty-one and twenty-two hereof;
- (c.) Interest from time to time accruing from investment of the moneys of the fund, as hereinafter provided.

Persons employed at commencement of Act may elect.

4. (1.) Every person who at the commencement of this Act is permanently employed in any capacity for not less than twenty hours in a week in the Education service may at any time within six months after the commencement of this Act elect to become a contributor to the fund. 40

(2.) If he so elects, he shall be entitled to all the benefits of the fund, subject to the provisions of this Act. 45

(3.) If he does not so elect, he shall not at any future time become a contributor to the fund, or participate in its benefit, except on the payment of such sum and on such conditions as the Board determines.

5. With respect to teachers who are first permanently employed in any public school after the commencement of this Act, it shall be a condition of their employment that they shall contribute to the fund, and be entitled to its benefits, as hereinafter provided.

Teachers employed after commencement of Act to contribute.

6. With respect to all other persons who are first permanently employed in the Education service after the commencement of this Act, the following provisions shall apply :—

Other persons so employed may elect.

(a.) Every such person may at any time within six months after the date of his appointment elect to contribute to the fund.

(b.) If he so elects, he shall, subject to the provisions of this Act, be entitled to all the benefits of the fund.

(c.) If he does not so elect, he shall not at any future time become a contributor to the fund, or participate in its benefits, except on payment of such sum and on such conditions as the Board determines.

7. (1.) The contribution from members shall in each case be at the following percentage of the pay of each member respectively, and shall be deducted at the period of each monthly payment of salaries, that is to say :—

Rates of contribution.

(a.) Five per centum if his age is not more than thirty years at the time when the first contribution becomes payable ;

(b.) Six per centum if his age then exceeds thirty years but does not exceed thirty-five years ;

(c.) Seven per centum if his age then exceeds thirty-five years but does not exceed forty years ;

(d.) Eight per centum if his age then exceeds forty years but does not exceed forty-five years ;

(e.) Nine per centum if his age then exceeds forty-five years but does not exceed fifty years ;

(f.) Ten per centum if his age then exceeds fifty years.

(2.) The amount so deducted shall forthwith be paid by the Board or other governing body charged with the duty of paying teachers' salaries to the Public Trustee to the credit of an account in the name of the fund.

(3.) Male members who have contributed to the fund during a period of forty years, and female members who have contributed during a period of thirty-five years, shall be entitled to all the benefits of the fund without further contribution.

Contributions to cease after a time.

(4.) If at any time the pay of a contributor is temporarily stopped on the ground of ill health, he shall be permitted to continue to contribute to the fund in such manner and to such extent as may be prescribed by regulations.

Contributions while pay stopped for ill health.

8. (1.) The Public Trustee shall from time to time invest the moneys of the fund, or any part thereof, in such lawful securities prescribed by regulations as will return the highest rate of interest.

Investment of funds.

(2.) The interest on the moneys of the fund paid into the fund by the Public Trustee shall be at a rate not less than four per centum per annum.

9. (1.) The fund shall be administered by a Board called "the Teachers' Superannuation Board," and consisting of ten members, namely :—

Board.

The Minister ;
 The Solicitor-General ;
 The Public Trustee ;
 The Inspector-General of Schools ;
 The Controller and Auditor-General ;
 The President of the New Zealand Educational Institute ;
 Two persons to be elected from among their number by the
 contributors resident in the North Island ; and
 Two persons to be elected from among their number by the
 contributors resident in the South Island.

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(2.) At all meetings of the Board three shall form a quorum.

(3.) In the absence of the Minister any other responsible Minister of the Crown may attend in his stead.

(4.) In the absence of the Public Trustee, the Deputy Public Trustee may attend in his stead.

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(5.) The Minister shall be chairman at all meetings of the Board at which he is present, and at any meeting at which he is not present the Board shall appoint a chairman from the members present.

(6.) Subject to this Act and the regulations thereunder, the Board may prescribe its own procedure.

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Election of
 members of the
 Board.

10. (1.) The elective members shall be elected by ballot in the manner prescribed by regulations.

(2.) A separate ballot of the contributors resident in the North and South Islands respectively shall be taken on the first Monday in March, one thousand nine hundred and *six*, and thereafter on the same Monday in every third year.

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(3.) Any question arising as to the regularity or validity of any ballot, or the voting thereat, shall be determined by the Minister in such manner as he thinks fit, and his decision shall be final.

(4.) If an elective member of the Board dies, or by notice in writing addressed to the Minister resigns his office, or ceases to be in the Education service, then in any such case his seat becomes vacant, and a successor shall be elected, who shall hold office only for the remainder of his predecessor's term of office :

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Provided that where the vacancy occurs within three months of the ordinary election a ballot shall not be taken, but in lieu thereof the Governor may appoint to the vacancy.

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(5.) Notice of the election or appointment of any member shall be gazetted.

Benefits of the Fund.

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Application of fund.

11. The fund shall be held and applied for the benefit of the contributors in the manner and subject to the conditions hereinafter set forth :

Provided that no payment shall be made out of the fund before the first day of April, one thousand nine hundred and *six*.

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Retirement at
 pension age.

12. (1.) Every male contributor who has attained or hereafter attains the age of sixty-five years shall retire from the Education service ; and every such contributor who has attained or hereafter attains the age of sixty years may, at any time after the expiration of three months' notice of his intention so to do, retire from such service.

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(2.) Every female contributor who has attained or hereafter attains the age of sixty years shall retire from the Education service; and every such contributor who has attained or hereafter attains the age of fifty-five years may, at any time after the expiration of three months' notice of her intention so to do, retire from such service.

(3.) On his retirement as aforesaid every contributor shall be entitled to receive from the fund an annual allowance for the rest of his life, computed as follows:—

10 Namely, one-sixtieth part of the total salary paid during all the years of his contribution to the fund:

Provided that the annual allowance payable to an original member shall in no case be less than the sum of fifty-two pounds.

15 13. (1.) Every contributor, whose length of service does not exceed fifteen years, who retires from the service on the ground of being medically unfit for further duty shall be entitled to receive from the fund the whole amount of his contributions without interest:

20 Provided that an original member, whose length of service exceeds five years but does not exceed fifteen years, shall be entitled to such additional amount, in one or more sums, as the Board, having regard to the circumstances of each case, determines, but not exceeding in the whole one-twelfth part of the total salary received by him during all the years of his service before the commencement of this Act.

25 (2.) Every contributor, whose length of service exceeds fifteen years, who retires medically unfit shall be entitled to receive from the fund such amount, in one or more sums, as the Board, having regard to the circumstances of each case, determines, but not exceeding in the whole the present value of an allowance computed as mentioned in the *last preceding* section, and not being less than the whole amount of his contributions without interest.

30 14. Every contributor who retires from the service voluntarily before attaining the age at which he is entitled to retire under section *twelve* hereof, or who is dismissed from the service, shall be entitled to receive from the fund the whole amount of his contributions without interest.

35 15. (1.) If any contributor dies before becoming entitled to a retiring-allowance, and not leaving a widow, there shall be paid from the fund to his legal personal representatives the whole amount of his contributions without interest.

40 (2.) If he dies after becoming entitled to a retiring-allowance, and not leaving a widow, there shall be paid from the fund to his legal personal representatives the balance unpaid, if any, of three years' retiring-allowance.

45 16. (1.) If any male contributor dies before becoming entitled to a retiring-allowance, leaving a widow, there shall be paid from the fund to the widow such sum or sums as the Board, in accordance with regulations, in each case determines, being not less in the whole than the whole amount of the contributions, and not less in any one year than the annuity which may be yielded in the fund by the total amount of the contributions, together with two hundred pounds:

Provided that the present value at the time of the death of the contributor of all such sums shall not exceed two hundred pounds together with the whole amount of the contributions :

Provided also that any allowance to the widow in excess of the whole amount of the contributions shall cease on her remarriage or death. 5

(2.) If any such contributor dies after becoming entitled to a retiring-allowance, leaving a widow, there shall be paid to the widow such sum or sums as the Board determines as aforesaid being not less in the whole than the balance unpaid (if any) of three years' retiring-allowance, and not less in any one year than the annuity which may be yielded in the fund by such balance, together with two hundred pounds : 10

Provided that the present value at the time of the death of the contributor of all such sums shall not exceed two hundred pounds together with such balance as aforesaid : 15

Provided also that any allowance to the widow in excess of such balance shall cease on her remarriage or death.

Retiring-allowance to be paid monthly.

17. The retiring-allowance shall be paid by equal monthly instalments, the first instalment being payable one month after the date of the grantee's retirement. 20

Grantee may elect to receive refund of contributions.

18. The grantee may, on his retirement, or at any time before receiving his first instalment, elect to accept a sum equal to the whole amount of his contributions to the fund in lieu of his retiring-allowance, in which case he shall be entitled to receive such sum accordingly, but no further sum shall be payable under section *sixteen* hereof in the event of his death. 25

Retiring-allowance or instalment may be forfeited.

19. (1.) In the case of a retiring-allowance being granted to a male contributor before he has attained the age of sixty years, on the ground of his being medically unfit for further duty, his retiring-allowance, or any one or more instalments thereof, may be forfeited by the Board if he fails to submit himself for further medical examination when required by the Board, or if, being reported medically fit to return to duty, and having in the opinion of the Board reasonable opportunity of so doing, he fails to do so ; and in like manner in the case of a retiring-allowance granted to a female contributor before she has attained the age of fifty-five years. 30 35

Return to duty after being medically unfit.

(2.) Where a contributor returns to duty while in receipt of a retiring-allowance his allowance shall cease, and all his rights and liabilities under this Act as a contributor shall revive. 40

Retiring-allowance not alienable.

20. In no case shall any retiring-allowance or other money granted under this Act be in any way assigned, transferred, or alienated from the grantee, or be subject to "The Bankruptcy Act, 1892."

State contribution to the fund.

21. The Colonial Treasurer shall, on or before the thirty-first day of March, one thousand nine hundred and *six*, without further appropriation than this Act, pay into the fund the sum of five thousand pounds. 45

Government guarantee of any deficiency in fund.

22. In the event of the fund at any time being unable to meet the charges upon it, and as often as such occurs, the following special provisions shall apply :— 50

(a.) The Board shall forthwith report the fact to the Colonial Treasurer, setting forth the amount of deficiency and the causes thereof.

(b.) The Colonial Treasurer, upon being satisfied that the deficiency exists, and that provision is necessary therefor, shall, without further appropriation than this Act, pay into the fund out of the Consolidated Fund a sum sufficient to meet the deficiency.

(c.) The Board's report, together with a statement by the Colonial Treasurer of his action thereon, shall be laid before Parliament within ten days after the receipt of the report if Parliament is then sitting, or, if not, then within ten days after the commencement of the next ensuing session thereof.

23. (1.) The Board shall keep full and correct accounts of all moneys received and expended, and of all credits and liabilities, and shall within twenty-eight days after the thirty-first day of March in every year cause to be prepared a balance-sheet for the year, together with a statement of receipts and expenditure for the year.

Accounts and balance-sheet.

(2.) Such balance-sheet and statement of accounts, after being audited by the Audit Office, shall, within ten days after the completion of the audit, be laid by the Minister before Parliament, if sitting, or, if not, then within ten days after the commencement of the next ensuing session, and a copy thereof shall be sent to each contributor.

24. (1.) For the period ending the thirty-first day of March, one thousand nine hundred and *eleven*, and for each quinquennial period thereafter, an actuarial examination of the fund shall be made by an Actuary appointed by the Governor.

Actuarial examination of fund.

(2.) The Actuary shall set forth the result of such examination in a report, which shall be so prepared as to show the state of the fund at the close of the period, and its expectant state at the close of the next ensuing quinquennial period, having regard to the prospective receipts and charges during such period.

(3.) The Board shall cause such report to be printed, and a copy thereof to be supplied to each contributor.

(4.) A copy of such report shall, within ten days after it is received, be laid before Parliament if then sitting, or, if not, then within ten days after the commencement of the next ensuing session.

25. The rights and benefits provided for by this Act shall be subject to all such modifications as may be provided by any Act hereafter passed in amendment or repeal of this Act :

Scheme may be modified.

Provided that nothing in this section shall affect any payments actually made to, or any rights acquired by, any contributor or other person under this Act prior to the passing of such amending or repealing Act ; and the basis of the settlement of the claims of any contributor under this section shall be the total amount of the contributions of such contributor, together with interest at the rate of three per centum per annum.

26. The Governor may from time to time, by Order in Council gazetted, make such regulations as he thinks necessary for any of the following purposes :—

Regulations.

- (a.) Prescribing the manner of election and the powers, functions, and procedure of the Board ; and
- (b.) Generally prescribing whatever else he thinks necessary in order to give full effect to this Act.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1905.