

## TRUSTEE SAVINGS BANKS AMENDMENT BILL

### EXPLANATORY NOTE

THIS Bill amends the Trustee Savings Banks Act 1948.

*Clause 1* relates to the Short Title.

*Clause 2* empowers trustee savings banks to subscribe for, purchase, or otherwise acquire shares in any company which is formed or principally formed for the purpose of operating computer and data-processing services and equipment.

*Clause 3* amends section 16 of the principal Act which relates to grants to officers on retirement after 10 years service and to dependants on the death of such an officer.

At present the maximum grant is an amount equal to 6 months' pay at the rate payable on retirement or death.

The amendment empowers the Minister of Finance to increase the period, based on length of service or on the period which has elapsed since the bank was established, in respect of which the maximum grant is calculated.

*Clause 4* amends section 20 of the principal Act which relates to the operation of a trustee savings bank's trading bank account.

At present the account may be operated on only by cheque signed by 2 officers of the savings bank and countersigned by 1 of the trustees of the savings bank.

The amendment empowers the Board of Trustees to dispense with the requirement that cheques be countersigned by a trustee.

In addition provision is made for the trading bank account to be operated on in any other manner provided for in any agreement relating to the clearance of cheques between the Board of Trustees and any trading bank or association of trading banks.

*Clause 5* amends section 36B of the principal Act which relates to investment accounts.

*Subclause (1)* gives effect to the Budget announcement that 6-month investment accounts are to be introduced by removing the restriction that the period for which any sum may be deposited in an investment account shall not be less than 1 year.

*Subclause (2)* removes the restriction that the rate of interest on deposits in investment accounts which are withdrawn before the expiration of the period for which the deposit was made is not to exceed the rate of interest payable in respect of ordinary deposits. The provision is not necessary as the matter is provided for in the Trustee Savings Banks Interest Order 1975.

*Subclause (3)* validates the Trustee Savings Banks Regulations 1949, Amendment No. 17 and the Trustee Savings Banks Interest Order 1975 so far as they relate to 6-month investment accounts.

*Subclause (4)* provides for the clause to be deemed to have come into force on 23 May 1975.

*Hon. Mr Tizard*

## TRUSTEE SAVINGS BANKS AMENDMENT

### ANALYSIS

|   |                                     |
|---|-------------------------------------|
| Title   | 3. Grants to officers on retirement |
| 1. Short Title  | 4. Deposits to be banked            |
| 2. Power to acquire shares in data-processing companies | 5. Investment accounts              |

### A BILL INTITULED

#### An Act to amend the Trustee Savings Banks Act 1948

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**—This Act may be cited as the Trustee Savings Banks Amendment Act 1975, and shall be read together with and deemed part of the Trustee Savings Banks Act 1948\* (hereinafter referred to as the principal Act).
- 10 2. **Power to acquire shares in data-processing companies**—  
The principal Act is hereby amended by inserting, after section 4, the following section:
- 15 “4A. With the approval of the Minister and subject to such conditions as he thinks fit to specify, every savings bank shall have and be deemed always to have had the power to subscribe for, purchase, or otherwise acquire shares in any company incorporated under the Companies Act 1955 which is formed or principally formed for the purpose of operating computer and data-processing services and equipment.”

\*Reprinted 1973, Vol. 2, p. 1663

**3. Grants to officers on retirement**—(1) Section 16 (1) of the principal Act is hereby amended by omitting the words “6 months’ pay”, and substituting the words “his pay for a period of 6 months, or such longer period or periods, based on length of service or on the period which has elapsed since the bank was established, as the Minister from time to time determines,”. 5

(2) Section 16 (2) of the principal Act is hereby amended by omitting the words “6 months’ pay”, and substituting the words “his pay for a period of 6 months, or such longer period or periods, based on length of service or on the period which has elapsed since the bank was established, as the Minister from time to time determines,”. 10

**4. Deposits to be banked**—Section 20 of the principal Act is hereby amended by repealing subsection (2), and substituting the following subsection: 15

“(2) The said account shall be operated on—

“(a) By cheque signed by 2 officers of the savings bank for the time being authorised by the Board in that behalf and, if the Board so requires, countersigned by 1 of the trustees; or 20

“(b) In any other manner provided for in any agreement relating to the clearance of cheques between the Board and any trading bank or association of trading banks.” 25

**5. Investment accounts**—(1) Section 36B (1) of the principal Act (as inserted by section 4 (1) of the Trustee Savings Banks Amendment Act 1957) is hereby amended by omitting the words “, being not less than 1 year”.

(2) Section 36B (2) of the principal Act (as so inserted) is hereby amended by omitting from the proviso the words “, but in no case shall the rate of interest exceed the rate payable in respect of ordinary deposits at the time when the withdrawal is made”. 30

(3) Regulation 3 of the Trustee Savings Banks Regulations 1949, Amendment No. 17, and clause 3 of the Trustee Savings Banks Interest Order 1975 are hereby validated and declared to have been lawfully made. 35

(4) This section shall be deemed to have come into force on the 23rd day of May 1975. 40