



**THE ECONOMIC STABILISATION (COST-OF-LIVING
ALLOWANCE) REGULATIONS 1984, AMENDMENT NO. 2**

RONALD DAVISON
Administrator of the Government

ORDER IN COUNCIL

At the Government House at Wellington this 5th day of November
1984

Present:

HIS EXCELLENCY THE ADMINISTRATOR OF THE GOVERNMENT IN COUNCIL
PURSUANT to the Economic Stabilisation Act 1948, His Excellency the
Administrator of the Government, acting by and with the advice and consent
of the Executive Council, hereby makes the following regulations.

ANALYSIS

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| <p>1. Title and commencement
2. Cost-of-living allowance</p> | | <p>3. Circumstances in which cost-of-living
allowance ceases to be payable</p> |
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REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Economic Stabilisation (Cost-of-Living Allowance) Regulations 1984, Amendment No. 2, and shall be read together with and deemed part of the Economic Stabilisation (Cost-of-Living Allowance) Regulations 1984* (hereinafter referred to as the principal regulations).

(2) These regulations shall come into force on the 6th day of November 1984.

2. Cost-of-living allowance—Regulation 5 of the principal regulations is hereby amended by revoking subclause (2), and substituting the following subclauses:

“(2) The cost-of-living allowance shall—

“(a) Not form part of the worker’s or State employee’s ordinary time rate of remuneration:

“(b) Be deemed to form part of the worker’s or State employee’s ordinary pay for the purpose of calculating annual holiday pay:

“(c) Subject to subclauses (4) and (5) of this regulation, not form part of the worker’s or State employee’s gross earnings for the purpose of calculating average weekly earnings for the purpose of calculating annual holiday pay:

“(d) To the extent that it has been paid during any relevant period,—

“(i) Form part of the worker’s or State employee’s gross earnings for the purpose of calculating proportionate holiday pay; and

“(ii) Form part of the worker’s or State employee’s total ordinary pay for the purpose of calculating proportionate holiday pay:

“(e) Not be taken into account in calculating any other rate of remuneration or compensation for redundancy:

“(f) Be added to each periodic payment of the worker’s or State employee’s remuneration after all other amounts payable (including amounts payable by way of overtime) have been calculated:

“(g) Form part of the worker’s or State employee’s taxable earnings.

“(3) Where, in the case of a piece worker or a part-time worker or a junior worker or an apprentice, annual holiday pay is to be calculated on the basis of ordinary pay, the amount of the cost-of-living allowance to be included in the annual holiday pay shall be an amount equivalent to the amount that would normally be received by that worker by way of cost-of-living allowance in accordance with regulations 6 to 10 of these regulations if he worked for his usual working hours in the period in respect of which the annual holiday pay is payable.

“(4) Notwithstanding anything in subclause (2) (c) of this regulation, when the final average weekly earnings figure is calculated, the amount of the cost-of-living allowance that the worker or State employee would normally receive, in accordance with regulations 6 to 10 of these regulations, in respect of a week, shall be added.

“(5) Notwithstanding anything in subclause (2) (c) or subclause (4) of this regulation, where it is necessary to calculate, for the purpose of calculating annual holiday pay, the average weekly earnings of a worker or State employee who was entitled, for part of the year, to a cost-of-living allowance but who, at the end of the year, was no longer entitled to a cost-of-living allowance, the amount payable to that worker or State employee by way of cost-of-living allowance, in respect of the part of the year for which the cost-of-living allowance was payable, shall, for the purposes of the calculation, form part of that worker’s or State employee’s gross earnings for the year.”

3. Circumstances in which cost-of-living allowance ceases to be payable—The principal regulations are hereby amended by inserting, after regulation 15, the following regulation:

“15A. (1) Notwithstanding anything in regulations 5 to 15 of these regulations, but subject to subclauses (2) to (4) of this regulation, where

any instrument which is made after the 30th day of November 1984 and which fixes the ordinary time rate of remuneration or the rate of salary of a worker or State employee or other person takes effect, the entitlement of the worker or State employee or other person to a cost-of-living allowance under these regulations shall cease as from the commencement of the day on which the ordinary time rate of remuneration or the rate of salary so fixed takes effect.

“(2) Where—

“(a) The ordinary time rate of remuneration or the rate of salary of a worker or State employee or other person under an instrument (in this regulation called the subsidiary instrument) is determined, in whole or in part, by the provisions of another instrument (in this regulation called the main instrument); and

“(b) After the 30th day of November 1984, the ordinary time rate of remuneration or the rate of salary fixed by the main instrument is replaced or amended,—

the entitlement of the worker or State employee or other person to a cost-of-living allowance under these regulations shall cease as from the commencement of the day on which the new rate takes effect.

“(3) Where—

“(a) The ordinary time rate of remuneration or the rate of salary of a worker or State employee or other person under an instrument (in this regulation called the subsidiary instrument) is determined, in whole or in part, by the provisions of another instrument (in this regulation called the main instrument); and

“(b) After the 30th day of November 1984, the ordinary time rate of remuneration or the rate of salary fixed by the subsidiary instrument is replaced or amended; and

“(c) As at the date on which the replacement or amendment of the ordinary time rate of remuneration or the rate of salary fixed by the subsidiary instrument takes effect, the worker or State employee or other person is still entitled to a cost-of-living allowance under these regulations,—

that entitlement shall not be affected by the replacement or amendment of the rate of remuneration fixed by the subsidiary instrument and that entitlement shall continue until it ceases under subclause (2) of this regulation.

“(4) Where, as at the commencement of the day on which a worker or State employee or other person ceases, under subclause (1) or subclause (2) of this regulation, to be entitled to a cost-of-living allowance, there is payable to that worker or State employee or other person in respect of any pay period or part of a pay period preceding that day any amount by way of cost-of-living allowance, nothing in subclause (1) or subclause (2) of this regulation affects the entitlement of that worker or State employee or other person to that amount.”

P. G. MILLEN,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on 6 November 1984, amend the Economic Stabilisation (Cost-of-Living Allowance) Regulations 1984.

Regulation 2 effects amendments designed, primarily, to assist in the calculation of annual holiday pay and proportionate holiday pay.

Regulation 3 provides for the phasing out of the cost-of-living allowance. The general approach is that the allowance will remain until new ordinary time rates of remuneration or new rates of salary are negotiated or determined after 30 November 1984.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 6 November 1984.

These regulations are administered in the Department of Labour.