



Judicial Superannuation Determination 2006

Pursuant to section 12B(2) of the Remuneration Authority Act 1977, the Remuneration Authority, after consultation with the Government Actuary, makes the following determination (to which is appended an explanatory memorandum).

Contents

| | Page |
|--|------|
| 1 Title | 1 |
| 2 Commencement | 1 |
| 3 Interpretation | 1 |
| 4 Judicial officers to whom this determination applies | 2 |
| 5 Maximum subsidy on annual superannuation contribution | 2 |
| 6 Ratio of superannuation subsidy to judicial officer's contribution | 3 |
| 7 Limit on service for which superannuation subsidy payable | 3 |

Determination

- 1 Title**
This determination is the Judicial Superannuation Determination 2006.
- 2 Commencement**
This determination is deemed to have come into force on 1 January 2006.
- 3 Interpretation**
(1) In this determination, unless the context otherwise requires,—
Act means the Government Superannuation Fund Act 1956

judicial officer means a judicial officer specified in section 12B(1) of the Remuneration Authority Act 1977

New GSF Scheme means the New Government Service Superannuation Scheme established under Part 2A of the Act

registered scheme means any superannuation scheme that is registered under the Superannuation Schemes Act 1989 other than the New GSF Scheme

year means a period of 12 months ending on 31 December.

- (2) For the purposes of this determination, the length of a period of service of a person as a judicial officer is computed as follows:
- (a) a period of service that began or ended before 1 July in any year is treated as having begun or ended, as the case may be, at the beginning of that year:
 - (b) a period of service that began or ended on or after 1 July in any year is treated as having begun or ended, as the case may be, at the end of that year.

4 **Judicial officers to whom this determination applies**

This determination applies to the following judicial officers:

- (a) those judicial officers who elect, under section 81OA of the Act, to cease to be a contributor under Part 5A of the Act; and
- (b) those judicial officers first appointed or reappointed as judicial officers on or after 1 July 1992, and who are not entitled or required to contribute under Part 4 or Part 5 or Part 5A of the Act.

5 **Maximum subsidy on annual superannuation contribution**

- (1) Inclusive of any income tax payable on it, the maximum subsidy on contributions paid, in any year, to a registered superannuation scheme by a judicial officer to whom this determination applies,—
- (a) for judicial officers holding appointment under sections 4 or 26C respectively of the Judicature Act 1908, is 37.5% of his or her salary:
 - (b) for other judicial officers to whom this determination applies, 33.75% of his or her salary.

- (2) However, if the judicial officer is also a contributor to the New GSF Scheme, then the maximum subsidy per year of contributions to the registered scheme, inclusive of any income tax payable on that subsidy, is 20% of his or her salary.

6 Ratio of superannuation subsidy to judicial officer's contribution

- (1) The contribution to a registered scheme that a judicial officer must make in order to qualify for a subsidy of contributions to that scheme must, when expressed as a ratio of the superannuation subsidy to the judicial officer's contribution, be 7.5 to 1.
- (2) However, if the judicial officer is also a contributor to the New GSF Scheme, then for the purposes of subclause (1) the ratio is 20 to 1.

7 Limit on service for which superannuation subsidy payable

- (1) This clause applies to a judicial officer who has contributed under Part 4 or Part 5 or Part 5A of the Act.
- (2) The maximum period of service as a judicial officer (whether continuous or in 2 or more separate periods) for which a subsidy of contributions to a registered scheme will be paid is 16 years less the period during which the judicial officer was a contributor under Part 4 or Part 5 or Part 5A of the Act.

Dated at Wellington this 28th day of February 2006.

David Oughton,
Chairperson.

A. Foulkes,
Member.

M. Wintringham,
Member.

Explanatory memorandum

This note is not part of the determination, but is intended to indicate its general effect.

This determination is deemed to have come into force on 1 January 2006. It provides for an increase in the percentage of salary contributions by judicial officers of the High Court which will qualify for a superannuation subsidy.

Currently all judicial officers to whom the determination applies can receive a subsidy at a ratio of 7.5:1 on a maximum of 4% of salary. This ratio was introduced in the Authority's 2004 determination. It was based on actuarial work done for the Authority which indicated that, using a recruitment age of 42 and retirement at age 68, a net total contribution of around 25% would align the assessed value of the GSF scheme of which judicial officers appointed before 1 July 1992 were members. However, it must be questioned whether a superannuation scheme which has been closed to new members since 1992 should continue to be a significant factor in determining parameters for ongoing judicial superannuation schemes.

The Authority is, however, satisfied that there is a need for some further general adjustment to the present determination.

In addition, after reviewing the age on appointment for both High Court and District Court Judges, the Authority is persuaded that some differentiation between those 2 groups is also needed. Since 1991, 46% of those directly recruited to the High Court have been aged between 53 and 59. In comparison, of District Court Judges, 70% were aged 50 or less.

With compulsory retirement at age 68, the age at retirement is a significant factor, determining as it does the number of years available to a judicial officer to contribute to a subsidised scheme.

Accordingly, the Authority has decided to—

- retain the current subsidy ratio at 7.5:1; and
- increase the maximum annual contribution to a registered superannuation scheme that qualifies for a subsidy to 5% of annual salary for the High Court judicial officers and to 4.5% for other judicial officers.

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