



**THE NATIONAL PROVIDENT FUND (APPROVAL OF  
AMENDMENTS TO RESTRUCTURING PROPOSAL) ORDER 1993**

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CATHERINE A. TIZARD, Governor-General

ORDER IN COUNCIL

At Wellington this 15th day of March 1993

Present:

THE RIGHT HON. D. C. MCKINNON PRESIDING IN COUNCIL

PURSUANT to section 10A of the National Provident Fund Restructuring Act 1990 (as inserted by section 2 of the National Provident Fund Restructuring Amendment Act 1991), Her Excellency the Governor-General, acting by and with the advice and consent of the Executive Council and on the recommendation of the Minister of Finance who is satisfied that—

- (a) The amendments to the proposal approved by the Governor-General under section 9 of the National Provident Fund Restructuring Act 1990 by the National Provident Fund (Approval of Restructuring Proposal) Order 1991 are necessary for the purposes of correcting errors in the proposal as approved under that section or are of a purely technical nature; and
  - (b) That the proposal as amended complies with sections 5 and 6 of the National Provident Fund Restructuring Act 1990; and
  - (c) That the amendments are approved in writing by the Board of Trustees of the National Provident Fund—
- hereby makes the following order.
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## ORDER

**1. Title and commencement**—(1) This order may be cited as the National Provident Fund (Approval of Amendments to Restructuring Proposal) Order 1993.

(2) This order shall come into force on the 28th day after the date of its notification in the *Gazette*.

**2. Approval of amendments to proposal for restructuring of National Provident Fund**—The amendments to the proposal approved under section 9 of the National Provident Fund Restructuring Act 1990 by the National Provident Fund (Approval of Restructuring Proposal) Order 1991\* and referred to in the Schedule to this order are hereby approved.

\*S.R. 1991/47

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SCHEDULE  
AMENDMENTS TO PROPOSAL

Schedule to Proposal	Amendment
Schedule 1 ..	<p>The addition to the assumption set out in paragraph 3.1.2 (b) (iv) in relation to former members and to be used to determine, for the purposes of paragraph 3.1.2 (b), the present value of benefits prospectively payable from the DBP Annuitants Scheme, of the words “except for those former Members who are recorded in the records of the Board as having retired due to ill-health. In respect of ill-health retirees mortality shall be assumed to be according to the PA(90) table for an age 3 years older than actual age”.</p> <p>The omission of paragraph 3.2 and the substitution of the following paragraph:</p> <p><b>“3.2 Value of Liabilities to meet EIA’s</b> As at the Transfer Day the value of the Liabilities to meet each EIA shall be that value which was determined by the Board in the process of determining the total EIA liability for the balance sheet of the National Provident Fund at 31 March 1991”.</p>
Schedule 2 ..	<p>The omission from the description of property to be allocated to the Cash Unit Fund of the name “NPF (Cash) Limited”, and the substitution of the name “NPF (Securities) Limited”.</p> <p>The addition to the words “Subject to the following provision, all deferred tax, investment receivables and other receivables”, in the description of property to be allocated to the Cash Unit Fund, of the words “except receivables allocated to an Existing Scheme”.</p> <p>The omission from the description of the cash component of the Property Unit Fund of the expression “10%”, and the substitution of the expression “11%”.</p>
Schedule 3 ..	<p>The omission of the proviso to paragraph 1.</p> <p>The insertion in paragraph 2 (c) (ii), after the words “a proportionate share of the difference”, of the words “(if any)”.</p>

SCHEDULE—*continued*AMENDMENTS TO PROPOSAL—*continued*

Schedule to Proposal	Amendment
Schedule 3— <i>continued</i>	<p>The addition to paragraph 2 of the following additional proviso:</p> <p>“Provided further that the maximum amount allocated to the Defined Contribution Schemes, the Aircrew Scheme and the National Superannuation Scheme for Farm Workers calculated in accordance with the proviso above and to the Old Public Schemes calculated in accordance with sub-paragraphs (i) and (ii) of the proviso to paragraph 3.1.3 of Schedule 1 shall be \$55m in total.</p> <p>“Where the amount so calculated exceeds \$55m in total, that amount shall be reduced on a proportionate basis across all affected schemes to total \$55m.”</p>
Schedule 4 . .	<p>The insertion, as paragraph 2.1.1A, after paragraph 2.1.1, of the following paragraph:</p> <p>“2.1.1A Allocate any receivable not otherwise allocated to a Unit Fund in accordance with Schedule 2 to the Existing Scheme to which it relates.”</p>

MARIE SHROFF,  
Clerk of the Executive Council.

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## EXPLANATORY NOTE

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

This order, which is made pursuant to section 10A of the National Provident Fund Restructuring Act 1990, approves a number of amendments to the proposal for the restructuring of the National Provident Fund. The amendments either correct errors in the proposal or are of a technical nature.

The proposal for the restructuring of the National Provident Fund was approved by the National Provident Fund (Approval of Restructuring Proposal) Order 1991.

Section 10A(1) of the Act empowers the Governor-General, on the recommendation of the Minister of Finance, by Order in Council, to approve any amendment to the proposal after the transfer day.

The term "transfer day" is defined in the Act as being 1 April 1991 and was the day on which, by virtue of the Act, the property held by the National Provident Fund Board under the National Provident Fund Act 1950 vested in the Board as the Board of Trustees of the National Provident Fund in accordance with the proposal.

Section 10A(2) provides that the Minister of Finance shall not recommend the making of an order approving any amendment to the proposal unless—

- (a) The Minister is satisfied that the amendment is necessary to correct an error in the proposal or is of a purely technical nature; and
- (b) The Minister is satisfied that the proposal as amended complies with sections 5 and 6 of the Act; and
- (c) The amendment is approved by the Board.

Every amendment approved under section 10A of the Act is deemed to have effect on and from the transfer day and the Act applies to the proposal as so amended accordingly.

The amendment to paragraph 3.1.2(b)(iv) of Schedule 1 of the proposal makes provision for valuing liabilities to pay benefits under the DBP Annuitants Scheme to persons retiring on account of ill-health.

The new paragraph 3.2 of Schedule 1 relates to the valuation of Existing Investment Arrangements and requires the value to be based on the value of the total liability as determined by the Board in the balance sheet of the Fund as at 31 March 1991.

The first amendment to Schedule 2 corrects an error in the name of a company referred to in that Schedule.

The second amendment ensures that the proposal is consistent with the practice of the Board in treating contributions due but not received as assets of the relevant scheme.

The third amendment relates to the cash component of the Property Unit Fund. The proposal provided for a cash component of up to 10 percent of the market value of the Unit Fund. The amount allocated exceeded this proportion on the basis of property values shown in the Board's financial statements as at 31 March 1991. The cash component is accordingly increased from 10 percent to 11 percent.

The omission of the proviso to paragraph 1 of Schedule 3 takes account of the fact that the amount that would have been allocated to existing schemes under that proviso had already been distributed before the transfer day.

The amendment to paragraph 2(c)(ii) of Schedule 3 relates to the new paragraph 3.2 of Schedule 1 and is consequential.

The addition of a further proviso to paragraph 2 of Schedule 3 takes account of the fact that the amount to be allocated to certain schemes under the proviso is limited by agreements between the Crown and the Board.

The insertion in Schedule 4 of a new paragraph 2.1.1A relates to the Board's practice of treating contributions due but not received as assets of the relevant scheme.

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Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 18 March 1993.

This order is administered in the Treasury.