



**THE SOCIAL SECURITY (OVERSEAS PENSION DEDUCTION)
REGULATIONS 1996**

MICHAEL HARDIE BOYS, Governor-General

ORDER IN COUNCIL

At Wellington this 16th day of September 1996

Present:

THE RIGHT HON. DON MCKINNON PRESIDING IN COUNCIL

PURSUANT to section 132C of the Social Security Act 1964, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

ANALYSIS

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| 1. Title and commencement | 4. Bank fee for purposes of regulation 5 (b) |
| 2. Interpretation | 5. Rate of reduction |
| 3. Average cross rate for purposes of regulation 5 (b) | 6. Determination conclusive |

REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Social Security (Overseas Pension Deduction) Regulations 1996.

(2) These regulations shall come into force on the 2nd day of October 1996.

2. Interpretation—(1) In these regulations, unless the context otherwise requires,—

“Act” means the Social Security Act 1964:

“Cross rate” means a currency exchange rate between the New Zealand dollar and the currency of a country paying an overseas pension in New Zealand computed from time to time by pricing the New Zealand dollar and the currency of that country against the United States of America dollar:

“Cross rate calculation period” means a period—

(a) Beginning at the commencement of the 16th day of one month; and

(b) Ending at the close of the 15th day of the following month:

“Instalment period” means a period—

(a) Beginning at the commencement of the day on which a payment of a benefit is made; and

(b) Ending at the close of the day before the day on which the next payment of that benefit is made:

“New Zealand bank” means a bank in New Zealand to which an overseas bank transfers funds from an overseas country for payment of that country’s overseas pensions in New Zealand:

“Nominated bank” means a bank for the time being nominated by the Director-General:

“Overseas bank” means an overseas bank used by the competent authority of an overseas country to transfer funds to a New Zealand bank for payment of that country’s overseas pensions in New Zealand.

(2) Expressions defined in section 3 (1) of the Act have the meanings so defined.

3. Average cross rate for purposes of regulation 5 (b)—For the purposes of the calculation required by regulation 5 (b) of these regulations, the term “average cross rate” means,—

(a) If the Director-General knows which overseas bank and which New Zealand bank are used by the competent authority of the country paying the overseas pension, a figure that is the average of the transacted rates at which the overseas bank transferred to the New Zealand bank, during the cross rate calculation period immediately preceding the month in which the calculation is made, the funds for payment of that country’s overseas pensions in New Zealand:

(b) In any other case, a figure specified by the nominated bank to the Director-General, being a figure that is the average of the cross rates quoted by the nominated bank, during the cross rate calculation period immediately preceding the month in which the calculation is made, to buyers of the currency of the country paying the overseas pension.

4. Bank fee for purposes of regulation 5 (b)—For the purposes of the calculation required by regulation 5 (b) of these regulations, the term “bank fee” means,—

(a) If the Director-General knows which overseas bank and which New Zealand bank are used by the competent authority of the overseas country to pay its overseas pensions,—

(i) The total of the amount, in New Zealand currency, of any bank fees charged between those banks to pay the overseas

pension in New Zealand, if the Director-General knows that total;
or

- (ii) An amount, in New Zealand currency, for the time being set by the Director-General to compensate for any such bank fees, in any other case:
- (b) If the competent authority of the country paying the overseas pension pays the overseas pension directly to the overseas pensioner by cheque, an amount, in New Zealand currency, for the time being set by the Director-General to compensate for the bank fee for negotiation of the cheque.

5. Rate of reduction—Where section 70 (1) of the Act requires a benefit to be reduced,—

- (a) Each instalment of the benefit shall be reduced; and
(b) The amount by which each instalment is reduced shall be calculated according to the following formula:

$$(a \times b) - c$$

where—

- a is the amount of the overseas pension, in the currency of the country paying the pension, payable to the overseas pensioner during the instalment period; and
b is the average cross rate, as defined in regulation 3 of these regulations; and
c is the bank fee, as defined in regulation 4 of these regulations.

6. Determination conclusive—Without limiting anything in section 81 of the Act, a determination made by the Director-General under section 70 (1) of the Act in accordance with these regulations is conclusive.

MARIE SHROFF,
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 2 October 1996, set out the formula to be applied by the Director-General of Social Welfare to determine the amount by which a benefit must be reduced to take account of the receipt by a beneficiary of a pension paid by another country. The authority to reduce a benefit for this reason is found in section 70 (1) of the Social Security Act 1964.

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

Date of notification in *Gazette*: 19 September 1996.

These regulations are administered in the Department of Social Welfare.