



## ANALYSIS

<p>Title</p> <p>1. Short Title</p> <p>2. New sections substituted</p> <p style="padding-left: 2em;">9. Constitution of National Provident Fund Board</p> <p style="padding-left: 2em;">9A. Vacation of office</p> <p style="padding-left: 2em;">9B. Remuneration, allowances, and expenses of members of Board</p>	<p>9c. Meetings</p> <p>3. Committees of the Board</p> <p>4. Superannuation schemes for individuals</p> <p>5. Power to determine specific earning rate in respect of superannuation scheme</p> <p>6. Validation of lump sum superannuation schemes</p> <p>7. Transitional provision</p>
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1988, No. 136

**An Act to amend the National Provident Fund Act 1950**  
[30 July 1988]

BE IT ENACTED by the Parliament of New Zealand as follows:

**1. Short Title**—This Act may be cited as the National Provident Fund Amendment Act 1988, and shall be read together with and deemed part of the National Provident Fund Act 1950 (hereinafter referred to as the principal Act).

**2. New sections substituted**—(1) The principal Act is hereby amended by repealing section 9 (as amended by section 2 of the National Provident Fund Amendment Act 1957 and section 10 (1) of the Fees and Travelling Allowances Act 1951), and substituting the following sections:

**“9. Constitution of National Provident Fund Board**—(1) The Fund shall be administered by a Board called the National Provident Fund Board.

“(2) The Board shall consist of no fewer than 4 members to be appointed from time to time by the Minister of Finance.

“(3) One member of the Board shall be appointed as the Chairman of the Board.

“(4) The Chairman and every other member of the Board shall hold office during the pleasure of the Minister of Finance.

**“9A. Vacation of office—**(1) Any member of the Board may at any time resign his or her office as a member of the Board by notice in writing addressed to the Minister of Finance.

“(2) The powers of the Board shall not be affected by any vacancy in its membership.

**“9B. Remuneration, allowances, and expenses of members of Board—**There shall be paid out of money appropriated by Parliament for the purpose to the members of the Board such remuneration by way of fees, salary, or allowances and such travelling allowances and travelling expenses as may be determined from time to time by the Minister of Finance.

**“9C. Meetings—**(1) Meetings of the Board shall be held at such times and places as the Board or its Chairman from time to time appoints.

“(2) The Chairman, or any 2 members, may at any time call a special meeting of the Board.

“(3) The quorum necessary for the transaction of business at any meeting of the Board shall be 3 members.

“(4) At all meetings of the Board its Chairman shall preside if the Chairman is present. If the Chairman is absent, the members present shall appoint one of their number to be chairman of that meeting.

“(5) All questions arising at any meeting of the Board shall be decided by a majority of the valid votes recorded thereon.

“(6) At any meeting of the Board the Chairman or other person presiding shall have a deliberative vote and, in the case of an equality of votes, shall also have a casting vote.

“(7) A resolution in writing signed, or assented to by letter, telegram, or telex, by all the members of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted.

“(8) Subject to the provisions of this Act, the Board may regulate its procedure in such manner as it thinks fit.”

(2) The following enactments are hereby consequentially repealed:

(a) Section 2 of the National Provident Fund Amendment Act 1957:

(b) So much of the Second Schedule to the Fees and Travelling Allowances Act 1951 as relates to the National Provident Fund Act 1950.

**3. Committees of the Board—**(1) Section 10A (2) of the principal Act (as substituted by section 6 (1) of the National

Provident Fund Amendment Act 1976) is hereby amended by repealing paragraph (a).

(2) Section 10A (as so substituted) is hereby further amended by repealing subsection (4), and substituting the following subsection:

“(4) There may be paid out of money appropriated by Parliament for the purpose to the members of any committee established under this section such remuneration by way of fees, salary, or allowances and such travelling allowances and travelling expenses as may be determined from time to time by the Minister of Finance.”

**4. Superannuation schemes for individuals**—(1) Section 38A of the principal Act (as inserted by section 3 of the National Provident Fund Amendment Act 1958) is hereby amended by repealing subsection (2) and subsection (3) (as substituted by section 2 of the National Provident Fund Amendment Act 1965), and substituting the following subsections:

“(2) Where a person applies to be accepted as a contributor under this section, the Board shall cause to be prepared a superannuation scheme containing the terms and conditions on which that person shall be entitled to become a contributor (including the pension, allowance, or other benefit to be payable to the contributor) and shall notify the actuary appointed under section 70 of this Act of the scheme.

“(3) No subsidy shall be payable under section 71 of this Act in respect of any contributions paid into the Fund under any scheme authorised under subsection (2) of this section unless that scheme is a pension scheme or a scheme established before the 1st day of August 1988, and then only to the extent—

“(a) That the contributions, together with any other contributions paid into the Fund under this Part of this Act, will secure for any contributor a pension that exceeds \$20 a week or an equivalent benefit calculated on an actuarial basis:

“(b) That the contributions under any such scheme or schemes in respect of any contributor in any one contribution year exceed \$1,000 unless the Board agrees that the excess contributions shall qualify for the subsidy.”

(2) Section 38A of the principal Act (as so inserted) is hereby further amended by omitting from subsections (4) and (5) the word “pension” wherever it appears, and substituting in each case the word “superannuation”.

**5. Power to determine specific earning rate in respect of superannuation scheme**—The principal Act is hereby amended by inserting, after section 67, the following section:

“67A. Subject to any terms and conditions of a scheme to the contrary, the Board may from time to time, in respect of any period after the 31st day of March 1987,—

“(a) Determine a specific earning rate for any superannuation scheme administered by it, which rate may be the same or different from the rate determined in respect of any other scheme; and

“(b) Pay, or credit, the accounts of contributors to that scheme accordingly.”

**6. Validation of lump sum superannuation schemes**—

(1) Every lump sum superannuation scheme prepared by or on behalf of the National Provident Fund Board before the 1st day of August 1988 is hereby validated and deemed to be and always to have been valid and lawful and authorised and constituted under the principal Act, which shall apply accordingly; and the benefits payable under those schemes are hereby deemed to be benefits provided by that Act.

(2) The actions of the Board and any other person in relation to any scheme referred to in subsection (1) of this section are hereby validated and declared to be and always to have been valid and lawful, and the Board may continue to operate any such scheme.

**7. Transitional provision**—The persons holding office as appointed members of the Board immediately before the date of the commencement of section 2 of this Act shall continue in office as if they had been appointed under section 9 of the principal Act (as substituted by section 2 of this Act).