

[AS REPORTED FROM THE COMMERCE AND MARKETING
COMMITTEE]

House of Representatives, 4 December 1986.

Words struck out are shown in italics within bold round brackets, or with black rule at beginning and after last line; words inserted are shown in roman underlined with a single rule, or with single rule before first line and after last line.

Hon. David Caygill

**GOVERNMENT SUPERANNUATION FUND
AMENDMENT**

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A BILL INTITULED

**An Act to amend the Government Superannuation
Fund Act 1956**

BE IT ENACTED by the General Assembly of New Zealand in
5 Parliament assembled, and by the authority of the same, as
follows:

1. Short Title and commencement—(1) This Act may be
cited as the Government Superannuation Fund Amendment
Act 1986, and shall be read together with and deemed part of
10 the Government Superannuation Fund Act 1956* (hereinafter
referred to as the principal Act).

*R.S. Vol. 13, p. 97
Amendments: 1985, Nos. 62, 63

(2) Except as provided in **sections 17 (4) and 18 (2)** of this Act,
this Act shall come into force on the day after the date on
which it receives the Governor-General's assent.

15 **2. Interpretation**—Section 2 (1) of the principal Act is
hereby amended by inserting, after the definition of the term
“Health Service” (as inserted by section 65 (1) of the Health
Service Personnel Act 1983), the following definition:

20 “ ‘Member of the Prisons Service’ means any employee of
the Prisons Division of the Department of Justice; but
does not include any such employee who is
occupying a position which, in the opinion of the
controlling authority, does not carry any custodial or
supervisory responsibility over inmates; and ‘Prisons
25 Service’ has a corresponding meaning.”

3. Incorporation of Board—The principal Act is hereby
amended by inserting, after section 3, the following section:

30 “3A. The Board shall be and be deemed always to have been
a body corporate with perpetual succession and a common
seal, and shall be capable of acquiring, holding, and disposing
of real and personal property, of suing and being sued, and of
doing and suffering all such acts and things as bodies
corporate may do and suffer.”

4. Government Superannuation Fund Account—(1) The
35 principal Act is hereby amended by repealing section 15, and
substituting the following section:

“15. (1) All money payable to the Fund shall be paid to the credit of an account called the Government Superannuation Fund Account to be kept at the Reserve Bank of New Zealand or any other bank approved by the Minister of Finance.

“(2) The Government Superannuation Fund Account shall be operated on by cheque signed by an officer or by officers of the Board for the time being authorised by the Board in that behalf. 5

“(3) For the purposes of the Government Superannuation Fund Account there may be opened at the Reserve Bank of New Zealand or any other bank approved by the Minister of Finance such disbursement or other subsidiary accounts as may from time to time be authorised by the Minister of Finance. 10

“(4) The Reserve Bank or any other bank may grant to the Board, and the Board may receive from the Reserve Bank or any other bank, accommodation by way of overdraft in respect of the Government Superannuation Fund Account, and that Account may be overdrawn accordingly. 15

“(5) For the purposes of subsection (4) of this section the Board may hypothecate any securities held by or on behalf of the Board in respect of investments of the Fund.” 20

(2) Section 2 of the Government Superannuation Fund Amendment Act 1961 and so much of the Second Schedule to the Government Superannuation Fund Amendment Act 1976 as relates to section 15 (4) of the principal Act are hereby consequentially repealed. 25

5. Part II not to apply to certain persons—Section 20 of the principal Act is hereby amended by repealing paragraph (d), and substituting the following paragraph: 30

“(d) Members of the regular forces except as provided in Parts III and IIIA of this Act:”.

6. Locally engaged staff of New Zealand High Commission in United Kingdom may elect to become contributors under Part IIA—The principal Act is hereby amended by inserting, after section 22B (as substituted by section 32 (1) of the Foreign Affairs and Overseas Service Act 1983) the following section: 35

“22BA. (1) Any person who, immediately before the 1st day of May 1985, was a contributor to the Fund pursuant to section 22B of this Act may, notwithstanding that section, by notice in writing to the Superintendent at any time before the 40

1st day of July 1987 or such later date as the Board may allow, elect to contribute to the Fund under Part IIA of this Act.

“(2) Every election under **subsection (1)** of this section shall take effect on and from the **1st day of May 1985**, and the
5 contributions payable by any contributor who makes such an election and the benefits payable in respect of contributions by that contributor shall be calculated accordingly.

“(3) Any person who, on or after the **1st day of May 1985**, is required pursuant to section 22B of this Act to become a
10 contributor to the Fund shall become a contributor to the Fund under Part IIA of this Act.

“(4) Section 14 of the Government Superannuation Fund Amendment Act 1985 shall apply to any person to whom
15 **subsection (1) or subsection (3)** of this section applies as if the references in subsections (1) and (2) of section 14 of that Act to the 1st day of November 1985 were references to the **1st day of July 1987**.

New

“(5) Notwithstanding anything to the contrary in section 42
20 of this Act (as applied by section 61T of this Act), there shall be deducted from any refund of contributions and interest (if any) payable pursuant to that section to any contributor under section 22B of this Act or this section who becomes a
25 contributor under Part IIA of this Act the amount that would be deductible under section 209 (2) of the Income and Corporation Taxes Act 1970 of the Parliament of the United Kingdom (or under any subsequent enactment passed in amendment of or substitution for that provision or any such
30 subsequent enactment) if that provision applied to that contributor.

“(6) Nothing in subsection (3) or subsection (5) of section 61R of this Act shall apply in respect of any contributor pursuant to section 22B of this Act who becomes a contributor under Part IIA of this Act.”

35 **7. Rate of contributions in respect of notional service—**
Section 23A of the principal Act (as inserted by section 3 (1) of the Government Superannuation Fund Amendment Act 1964) is hereby amended by repealing subsection (5), and substituting the following subsection:

40 “(5) The period of notional service covered by any election under this section shall be deemed immediately to precede the contributor’s current period of contributory service and in

respect of each day of the notional service the contributor shall contribute to the Fund upon such conditions as the Board thinks fit (including payment of contributions at such rate or rates as the Board may determine) in respect of the notional service.”

5

8. Benefits where contributor dies and leaves spouse—

Section 45 of the principal Act (as substituted by section 11 of the Government Superannuation Fund Amendment Act 1985) is hereby amended by omitting from subsection (6) (b) the expression “Part II”, and substituting the expression “Part III”.

10

9. Members of Cook Islands Public Service may elect to become contributors under Part IIA—The principal Act is hereby amended by inserting, after section 50, the following section:

15

“50A. (1) Any permanent officer of the Cook Islands Public Service who, immediately before the **1st day of January 1987** was a contributor to the Fund under section 50 of this Act may, notwithstanding that section, by notice in writing to the Superintendent at any time before the **1st day of July 1987** or such later date as the Board may allow, elect to contribute to the Fund under Part IIA of this Act.

20

“(2) Every election under **subsection (1)** of this section shall take effect on and from the **1st day of January 1987** and the contributions payable by any contributor who makes such an election and the benefits payable in respect of contributions by that contributor shall be calculated accordingly.

25

“(3) Any person who, on or after the **1st day of January 1987**, is required pursuant to section 50 of this Act to become a contributor to the Fund shall become a contributor to the Fund under Part IIA of this Act.”

30

10. Election to return to being contributor under Part II—Section 61E(4) of the principal Act (as inserted by section 13 of the Government Superannuation Fund Amendment Act 1985) is hereby amended by inserting, after paragraph (a), the following paragraph:

35

“(aa) Allow any person who has made an election under subsection (2) of this section to revoke that election and make an election under subsection (1) of this section:”.

40

11. Computation of retiring allowance where contributor has less than 5 years' contributory service—

New

(1) Section 61L of the principal Act (as inserted by section 13 of the Government Superannuation Fund Amendment Act 1985) is hereby amended by repealing subsections (1) and (2), and substituting the following subsection:

“(1) The retiring allowance of every contributor to the Fund who is entitled under section 61I, section 61J, or section 61K of this Act to receive a retiring allowance shall be the appropriate percentage of the contributor's final average earnings for every full year of contributory service, and a proportionate part of the appropriate percentage of the contributor's final average earnings for any fraction of a year of contributory service.”

(2) Section 61L of the principal Act (as so substituted) is hereby amended by inserting in subsection (6), before the definition of the term “earnings”, the following definition:

“‘Appropriate percentage’ is 1.5 percent—

“(a) Increased by a further 0.002 percent in respect of every month or part of a month before the retirement during which the contributor is over the age of 60 years but under the age of 65 years; or

“(b) Reduced in the case of a retiring allowance to which the contributor is entitled under subsection (3) or subsection (4) of section 61I of this Act by—

“(i) 0.004 percent in respect of every month or part of a month after the date of retirement during which the contributor is of or over the age of 55 years but under the age of 60 years; and

“(ii) 0.002 percent in respect of every month or part of a month after the date of retirement during which the contributor is under the age of 55 years.”

(3) Section 61L of the principal Act (*as inserted by section 13 of the Government Superannuation Fund Amendment Act 1985*) as so inserted) is hereby amended by adding the following subsection:

“(9) Where a contributor's contributory service is less than 5 years the formula in subsection (6) (a) of this section shall apply

as if the expression ‘÷ 5’ were omitted and the expression ‘× a/b’ were substituted; and in any such case ‘a’ shall be 365 and ‘b’ shall be the number of days of the contributor’s contributory service.”

12. Refund of contributions with interest where contributor ceases service—Section 61s(1) of the principal Act (as inserted by section 13 of the Government Superannuation Fund Amendment Act 1985) is hereby amended by repealing paragraph (a), and substituting the following paragraph: 5 10

“(a) Elect to receive a refund of the contributor’s contributions to the Fund (less any amounts already received by the contributor from the Fund) increased, in respect of contributions paid in respect of any period after the 1st day of May 1985 under any Part of this Act other than Part II, Part III, or Part VI by 0.25 percent for every month beginning on or after the 1st day of May 1985 during which the person was a contributor under any Part of this Act other than Part II, Part III, or Part VI:” 15 20

13. Application of Part III—The principal Act is hereby amended by inserting, after section 62, the following section:

“62A. Except as provided in Part IIIA of this Act, nothing in this Part of this Act shall apply in respect of any person who—

“(a) Is a member of the regular forces on the 5th day of December 1986; or 25

“(b) Has been a member of the regular forces and has not retired before the 5th day of December 1986; or

“(c) Becomes a member of the regular forces after the 5th day of December 1986.” 30

14. New Part inserted—(1) The principal Act is hereby amended by inserting, after section 71, the following heading and sections:

“PART IIIA

SUPERANNUATION OF MEMBERS OF ARMED FORCES AFTER 35
4 DECEMBER 1986

“71A. **Interpretation**—In this Part of this Act, unless the context otherwise requires,—

“‘Accrued leave’ includes in respect of a contributor any Armed Forces Terminal Benefit (payable pursuant to 40

section 54 of the Defence Act 1971) which is taken as leave:

5 “‘Basic pay’, in relation to a member of the regular forces, means the daily rate of pay for that member’s rank and seniority including, where applicable, trade classification or other qualification pay but excluding other allowances:

10 “‘Contributory service’ includes any period of accrued leave as a member of the regular forces due to a contributor at the date of the contributor’s discharge or release from the regular forces:

“‘Regular forces’ means the Royal New Zealand Navy, the Regular Force of the New Zealand Army, and the Regular Air Force collectively:

15 “‘Retirement date’ means in respect of a contributor the final day of accrued leave taken after the contributor’s discharge or release from the regular forces; and ‘retire’ and ‘retirement’ have corresponding meanings:

20 “‘Salary’, in relation to a member of the regular forces, means the basic pay payable to the member together with such allowances as are specified in Orders in Council made pursuant to section 56 or section 89B of this Act and in respect of any person who has made an election pursuant to section 66B of this Act also includes Flying Qualification Pay and Surveying Pay.

30 “71B. **Application**—This Part of this Act shall apply to every contributor to the Fund who is or becomes a member of the regular forces required to contribute to the Fund in that capacity, and the entitlements of and benefits payable to or in respect of that person shall be determined in accordance with this Part and Part VII of this Act, and not otherwise.

35 “71C. **Members of regular forces to become and remain contributors to Fund under this Part**—(1) Except as provided in this section and section 71P of this Act, every person who on or after the 5th day of December 1986 becomes a member of the regular forces shall contribute to the Fund under this Part of this Act in respect of any period during which the person remains a member of the regular forces and any period of accrued leave taken after the contributor’s discharge or release from the regular forces.

“(2) Nothing in subsection (1) of this section shall apply to—

“(a) Any person who—

“(i) Is a nurse; and

“(ii) At the time of becoming a member of the regular forces is a member of the 1969 Nursing Services Superannuation Scheme or the Defined Benefit Plan of the National Provident Fund or any superannuation scheme provided by the National Provident Fund in substitution for the 1969 Nursing Services Superannuation Scheme or the Defined Benefit Plan; and 5

“(iii) With the consent of the New Zealand Defence Council, elects not to become a contributor to the Fund: 10

“(b) Any person who—

“(i) Is a chaplain in the regular forces; and

“(ii) Is a member of a church superannuation scheme; and 15

“(iii) With the consent of the New Zealand Defence Council, elects not to become a contributor to the Fund: 20

“(c) Any person—

“(i) Whose age at the date of becoming a member of the regular forces is not less than 35 years; and

“(ii) Who is not a contributor to the Fund; and

“(iii) Who, with the consent of the New Zealand Defence Council, elects not to become a contributor to the Fund: 25

“(d) Any person who becomes a member of the regular forces and has received or is in receipt of any benefit under Part III or this Part of this Act unless the New Zealand Defence Council and the Board agree that the person may become a member of the Fund: 30

“(e) Any person who becomes a member of the regular forces and has received or is receiving any pension or retiring allowance in respect of service as a regular member of the armed forces of any State (other than New Zealand) unless the New Zealand Defence Council and the Board agree that the person may become a member of the Fund. 35

“(3) Except with the consent of the New Zealand Defence Council and the Board, no person may make an election under paragraph (a), paragraph (b), or paragraph (c) of subsection (2) of this section more than 6 months after the date on which the person becomes a member of the regular forces. 40

“(4) Any election made under paragraph (a), paragraph (b), or paragraph (c) of subsection (2) of this section may be revoked at any time with the consent of the New Zealand Defence Council and the Board, and the person concerned shall become a contributor to the Fund under this Part of this Act on and from the date of the revocation.

“71D. **Contributors under Part III to become contributors under this Part**—(1) Every person who immediately before the 5th day of December 1986 is a contributor under Part III of this Act and has not retired shall become a contributor under this Part of this Act on and from that date and, except as provided in section 71P of this Act, shall remain a contributor under this Part of this Act in respect of any period during which that person remains a member of the regular forces and any period of accrued leave taken after the contributor’s discharge or release from the regular forces.

“(2) Subsection (5) of section 70 of this Act shall continue to have effect in respect of any person to whom that subsection applied before the 5th day of December 1986 and who becomes a contributor under this Part of this Act by virtue of this section.

“71E. **Existing members of regular forces may elect to become contributors under this Part**—(1) Subject to subsections (2) and (3) of this section, every person who immediately before the 5th day of December 1986 is a member of the regular forces and is not a contributor under Part III of this Act shall be entitled not later than the 30th day of June 1987 or such later date as the Board may allow, to elect to become a contributor to the Fund under this Part of this Act.

“(2) The following persons shall not be entitled to make an election under this section without the consent of the New Zealand Defence Council:

“(a) Any person who—

“(i) Is a nurse; and

“(ii) Is a member of the 1969 Nursing Services Superannuation Scheme or the Defined Benefit Plan of the National Provident Fund:

“(b) Any person who—

“(i) Is a chaplain in the regular forces; and

“(ii) Is a member of a church superannuation scheme:

“(c) Any person whose age at the date of becoming a member of the regular forces was not less than 35 years.

“(3) The following persons shall not be entitled to make an election under this section without the consent of the New Zealand Defence Council and the Board:

“(a) Any member of the regular forces who has received or is in receipt of any benefit under Part III or this Part of this Act: 5

“(b) Any member of the regular forces who has received or is receiving any pension or retiring allowance in respect of service as a regular member of the armed forces of any State other than New Zealand. 10

“(4) Every election made under **subsection (1)** of this section shall take effect on and from the **5th day of December 1986** and the contributions payable by the contributors who make such elections and the benefits payable in respect of contributions by such contributors shall be calculated accordingly. 15

“**71F. Rate of contributions**—(1) The contribution to be made by every contributor under this Part of this Act shall be 7.6 percent of the contributor’s salary.

“(2) All contributions shall be deducted from the salary of the contributor and paid to the Fund as the salary becomes payable from time to time. 20

“**71G. Entitlement to retiring allowance**—(1) Every contributor to the Fund under this Part of this Act who is discharged or released from the regular forces and who at the date of retirement has not less than 20 years contributory service of which at least 10 years service is actual service as a member of the regular forces shall be entitled to a retiring allowance of 1.5 percent of the contributor’s final average earnings for every full year of contributory service and a proportionate part of 1.5 percent of the contributor’s final average earnings for any fraction of a year of contributory service. 25 30

“(2) Where any contributor to the Fund under this Part of this Act is discharged or released from the regular forces in circumstances to which **subsection (1)** of this section does not apply, that person shall not be entitled to receive any retiring allowance under this Part of this Act unless the person is entitled to receive a retiring allowance under **section 71H** of this Act. 35

“(3) Where any contributor is convicted of any offence under the Armed Forces Discipline Act 1971 that carries a maximum punishment of death or life imprisonment becomes entitled to a retiring allowance under **subsection (1)** of this section, the benefits payable may, at the discretion of the 40

Board having regard to the recommendation of the New Zealand Defence Council, be reduced or varied in such manner as the Board thinks fit, but shall not be less than the value of the contributor's entitlement under **section 71K** of this Act.

5 “(4) For the purposes of determining the retiring allowance of any contributor under this Part of this Act this section shall be deemed to include subsections (6) to (9) of section 61L of this Act and shall be read as if those subsections were part of this section.

10 **“71H. Entitlement to retiring allowance where retirement on grounds of disability—**(1) Every contributor to the Fund under this Part of this Act who is discharged from the regular forces on the ground of being medically unfit for further duty shall be entitled to receive from the Fund an
15 annual retiring allowance of 1.5 percent of the contributor's final average earnings for every full year of contributory service and a proportionate part of 1.5 percent of the contributor's final average earnings for any fraction of a year of contributory service, if the Board is of the opinion that the
20 degree of disability is sufficient to justify the payment of that retiring allowance.

“**(2)** The Board may, in its discretion, suspend, reduce, or cancel any retiring allowance payable under **subsection (1)** of this section if—

25 “**(a)** It is of the opinion that the degree of disability is insufficient to justify the payment of the retiring allowance in full or in part; or

30 “**(b)** The contributor fails without sufficient justification to submit to medical examination when and as often as required by the Board; or

“**(c)** The Board does not know the present whereabouts of the contributor or whether the contributor is alive or dead.

35 “**(3)** The Board may, in its discretion, vary or revoke any decision made by it under **subsection (1)** or **subsection (2)** of this section.

40 “**(4)** Any decision by the Board to suspend or reduce a retiring allowance under the provisions of **subsection (1)** of this section shall be disregarded for the purposes of sections 61N, 61O, and 61Q of this Act as applied by **sections 71L and 71N (4)** of this Act.

“**(5)** For the purpose of this section a contributor shall be deemed to be medically unfit for further duty if on the certificate of at least 2 medical practitioners approved by the

Board it is established to the satisfaction of the Board that by reason of mental or bodily infirmity the contributor has become substantially unable to perform any duties which the New Zealand Defence Council considers suitable and reasonable for the contributor.

5

“(6) Where the Board has suspended, reduced, or cancelled a retiring allowance under **subsection (2)** of this section, the contributor may at any time while the retiring allowance is suspended, reduced, or cancelled elect to receive a refund of the contributor’s contributions calculated in accordance with the provisions of **section 71k** of this Act as if the date when such retiring allowance was first so suspended, reduced, or cancelled was the date of payment for the purposes of **section 71k** (less any amounts already received by the contributor from the Fund), in which case no further sum shall be payable out of the Fund in the event of the contributor’s death.

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“71i. Contributions and contributory service where contributor disciplined or service otherwise interrupted—

(1) Where pursuant to the Armed Forces Discipline Regulations 1983 or any regulations made in substitution for those regulations the contributor forfeits the whole of the contributor’s salary for a period of 28 days or more, no contributions shall be payable by the contributor in respect of that period and it shall not be counted in computing the length of the contributor’s contributory service, but shall be deemed not to break the continuity of the service.

20

25

“(2) Where the salary of a contributor is forfeited under those regulations for a period of less than 28 days or is partly forfeited for any period, the contributor’s contributions to the Fund shall be payable in respect of that period as if the contributor’s salary had not been forfeited, and that period shall be counted in computing the length of the contributor’s contributory service.

30

“(3) Where **subsections (1) and (2)** of this section do not apply, and the service in the regular forces of any person has been interrupted, it shall for the purposes of this Part of this Act to the extent that the Board so determines and subject to such conditions including payment of contributions at such rate or rates as it thinks fit, be deemed not to be interrupted.

35

40

“71j. Benefits where member of regular forces dies while deserter or dies or is discharged while absent without leave—

(1) Where a contributor dies while a deserter or absent without leave and has been in desertion or so absent

for a continuous period of 28 days or more, any spouse of the contributor may, at the discretion of the Board exercised having regard to the recommendation of the New Zealand Defence Council, receive such benefits as the Board thinks fit; 5 but those benefits shall not exceed the benefits which the spouse would have been entitled to receive under **section 71P** of this Act had the contributor died while on leave of absence without salary, nor shall the benefits be less than the benefits to which the contributor would have been entitled under 10 **section 71K** of this Act if that section applied.

“(2) Where any member of the regular forces has been discharged from the regular forces on the grounds of being absent without leave for a continuous period of 3 years or more the member may at the discretion of the Board, having 15 regard to the recommendation of the New Zealand Defence Council, receive the following benefits:

“(a) A refund of the total amount of the contributor’s contributions to the Fund (less any amounts already received by the contributor from the Fund) 20 increased in respect of contributions paid in respect of any period of contributory service under Part III or this Part of this Act by 0.25 percent for every month between the date on which the contributor became a contributor under Part III or this Part of 25 this Act and the date of payment of the refund; or

“(b) A retiring allowance computed in accordance with the provisions of **section 71G** of this Act if the contributor would have been entitled to such an allowance had 30 the contributor retired from the regular forces on the date when the desertion or absence without leave commenced.

“(3) Where any member of the regular forces who has been discharged from the regular forces on the grounds of being absent without leave for a continuous period of 3 years or 35 more dies, any spouse of the contributor may receive such benefits as the Board thinks fit but such benefits shall not exceed the benefits that the spouse would have been entitled to receive had the contributor died while on leave of absence without salary pursuant to **section 71P** of this Act nor shall the 40 benefits be less than the benefits to which the contributor would have been entitled under **section 71K** of this Act if that section applied.

“**71K. Benefits where contributor leaves regular forces and is not entitled to retiring allowance—**(1) Where any

contributor under this Part of this Act is discharged or released from the regular forces in circumstances where no retiring allowance is payable the contributor shall be entitled to receive a refund of the total amount of the contributor's contributions to the Fund (less any amounts already received by the contributor from the Fund) increased— 5

“(a) (Where the contributor is discharged or released following notice given under section 54 of the Defence Act 1971,) in respect of contributions paid in respect of any period of contributory service under Part III or this Part of this Act by 0.25 percent for every month between the date of commencement of the contributor's contributory service under Part III or this Part of this Act and the date of payment of the refund; (or) and 10 15

“(b) (In any other case, subject to the consent of the New Zealand Defence Council and the Board, by a) Where the New Zealand Defence Council and the Board so agree, by a further sum by way of interest computed as if the contributions paid by the contributor (after deducting all sums from time to time received by the contributor from the Fund) had been invested at compound interest with yearly rests at such rate as the Minister of Finance from time to time determines; and, except in the case of payments made during the financial year in which the contributor retires, that interest shall be computed as if all money paid into or out of the Fund in any financial year had been paid on the 31st day of March in that year. 20 25 30

“(2) For the purposes of determining the amount of any refund of contributions payable to any contributor under **subsection (1)** of this section, the amount of the refund shall include any amount payable to the contributor under section 35 (1) of the Government Superannuation Fund Amendment Act 1976. 35

“(3) Where any contributor is entitled to receive a payment under **subsection (1)** of this section and the contributor has not less than 10 years contributory service the contributor may elect to decline the payment and to have the transfer value of the contributor's contributions (as determined in accordance with **subsection (5)** of this section) paid to any superannuation scheme nominated by the contributor that is approved by the Board and is approved under the Superannuation Schemes Act 40

1976 and classified under that Act as an employee pension superannuation scheme or a personal pension superannuation scheme.

5 “(4) Any election under **subsection (3)** of this section may be revoked, but shall be irrevocable once any payment has been accepted from the Fund pursuant to that election.

“**(5)** For the purposes of **subsection (3)** of this section the transfer value of a contributor’s contributions shall be—

10 “(a) The amount of the refund that the contributor would be entitled to receive under **subsection (1)** of this section, increased by 10 percent of that amount for every complete year of the contributor’s contributory service in excess of 10 years’ contributory service, and an appropriate portion of 10 percent for any

15 part year of such contributory service; or
“(b) Twice the amount of the refund that the contributor would be entitled to receive pursuant to **subsection (1)** of this section,—

20 whichever is the lesser, and the amount that would be included in any refund of contributions payable to the contributor by virtue of section 35 (1) of the Government Superannuation Fund Amendment Act 1976.

“**71L. Benefits on death of contributor**—Sections 61M, 61N, 61O, and 61Q of this Act shall apply in respect of

25 contributors under this Part of this Act as if—
“(a) The reference in those sections to Government Service included service in the regular forces:

30 “(b) The references in section 61M (1) (a) (ii), section 61N (1) (a), section 61N (2) (a), and section 61O (1) (b) to section 61S (1) (a) were references to **section 71k** of this Act:

“(c) The reference in section 61M (1) (b) to section 91 of this Act were a reference to **section 71m** of this Act:

35 “(d) The reference in section 61N (1) (b) to section 61T (2) were a reference to **section 71s (2)** of this Act:

“(e) Paragraph (a) of section 61O (1) had been repealed, and the following paragraph substituted:

40 “(a) Where the contributor dies before becoming entitled to a retiring allowance, a lump sum being:

“(i) One year’s salary of the contributor calculated at the rate of salary payable to the contributor when the contributor was last a contributor to the Fund; or

(ii) A refund of the contributor's contributions to the Fund including interest, as if the contributor had ceased service in the regular forces on the date of the contributor's death and become entitled to receive a refund of contributions under **section 71k(1)** of this Act—

whichever is the greater:'. 5

“71M. Election to surrender proportion of retiring allowance and receive cash payment—(1) Any contributor who becomes entitled to a retiring allowance under this Part of this Act may elect to surrender the contributor's right to a proportion of the retiring allowance and to receive instead payment out of the Fund of an amount calculated in accordance with formula $A \times B$, where— 10 15

A is the amount by which the contributor's annual retiring allowance is reduced pursuant to the surrender:

B is:

“(a) 17.5 where the contributor is not more than 40 years of age at the date of retirement: 20

“(b) 17.5 reduced by 0.0625 for each month between the contributor's 40th birthday and the contributor's age at the date of retirement where the contributor is more than 40 years of age but not more than 50 years of age at the date of retirement: 25

“(c) 10 where the contributor is more than 50 years of age at the date of retirement.

“(2) For the purposes of **subsection (1)** of this section a contributor shall be deemed to be entitled to a retiring allowance under this Act in any case where the contributor would have been so entitled if the contributor had retired on the date of the election. 30

“(3) An election may be made under **subsection (1)** of this section by a contributor at any time within 3 months immediately preceding the date on which the contributor becomes entitled to a retiring allowance under this Part of this Act. 35

“(4) Where an election is made during the period specified in **subsection (3)** of this section it shall be deemed to have been made on the earliest day on which the contributor would be entitled to a retiring allowance under this Part of this Act if the contributor survived and had retired. 40

“(5) Subject to **subsection (6)** of this section, any contributor who has made an election under **subsection (1)** of this section may make a further election within 3 months before the contributor is discharged or released from the regular forces,
5 to thereupon receive not more than half the amount that the contributor would be entitled to receive if the contributor had been entitled to a retiring allowance when the contributor made the election under **subsection (1)** of this section.

“(6) Where the Board has determined under **section 71H (2)** of
10 this Act to defer the commencement of the payment of a retiring allowance to a contributor, that contributor shall not be entitled to make any election under **subsection (5)** of this section.

“(7) Where any amount is paid to any contributor under
15 **subsection (5)** of this section, interest shall be payable on that amount by the contributor at such rate as the Board may determine for the period between the date on which the contributor receives that amount and the date on which the contributor becomes entitled to the retiring allowance or the
20 date of the contributor’s death, whichever is the earlier.

“(8) All such interest shall be recoverable as a debt due to the Crown and may be deducted from any retiring allowance payable to the contributor or any annuity payable to the surviving spouse of the contributor.

25 “(9) Every election under this section shall be made in writing and delivered to the Superintendent before the contributor has accepted any instalment of the contributor’s retiring allowance.

“(10) Except as provided in **subsection (11)** of this section, no
30 contributor shall have the right to revoke or amend any election under this section or to make any further election.

“(11) Where a contributor to whom **subsection (2)** or **subsection (5)** of this section applies has made an election under **subsection (1)** of this section, that contributor shall be entitled to
35 make one further election to increase the proportion of the retiring allowance surrendered under **subsection (1)** of this section before the contributor has accepted any instalment of the contributor’s retiring allowance.

“(12) No election or combination of elections under this
40 section shall entitle any contributor to surrender more than one-quarter of the contributor’s retiring allowance.

“(13) Where a contributor has completed an election under this section in respect of a previous period of contributory

service, the amount so surrendered shall be deducted from the retiring allowance that the contributor may elect to surrender.

“(14) Upon an election under this section becoming effective the annual retiring allowance payable to a contributor shall be reduced by the same proportion as that which the contributor has elected to surrender and all rights in respect of the proportion so surrendered shall be deemed to be determined. 5

“(15) Except as provided in **subsection (5)** of this section, any amount which a contributor is entitled to receive under this section shall become payable— 10

“(a) On the date on which the contributor becomes entitled to payment of the retiring allowance; or

“(b) In the case of a contributor to whom **subsection (2)** of this section applies, on the date of the contributor’s death,— 15

whichever is the earlier.

“71N. **Right to defer retiring allowance to age 55 or 60 in return for lump sum at retirement**—(1) Any contributor who becomes entitled to a retiring allowance under this Part of this Act may, in addition to or instead of exercising the right to surrender a proportion of the contributor’s retiring allowance under **section 71M** of this Act, elect to defer receiving from the Fund the contributor’s retiring allowance until the contributor attains the age of 55 or 60 years and to receive on the date on which the contributor would otherwise be entitled to receive the first instalment of the retiring allowance an amount from the Fund calculated according to the formula $C \times D$, where: 20 25

C is the contributor’s annual retiring allowance after the effect of any election under section 40, section 48, or **section 71M** of this Act: 30

D is—

“(a) The number of months from the contributor’s date of retirement to the date the contributor attains 55 or 60 years of age (whichever is appropriate) multiplied by 0.0667; or 35

“(b) 16.8—

whichever is the lesser.

“(2) Every election under **subsection (1)** of this section shall be made in writing and delivered to the Superintendent before the contributor has accepted any instalment of the contributor’s retiring allowance. 40

“(3) No contributor shall have the right to revoke or amend any election under **subsection (1)** of this section or to make any

further election after the contributor has accepted any payment under this section.

5 “(4) Subject to **subsection (5)** of this section, where any contributor dies after having made an election under **subsection (1)** of this section but before attaining the age at which the contributor has elected to receive the annual retiring allowance, sections 61N, 61O, and 61Q of this Act shall apply—

10 “(a) As if the references in section 61N (1) (a), section 61N (2) (a), and section 61O to section 61s (1) (a) were references to **section 71k (1)** of this Act; and

“ (b) As if the reference in section 61N (1) (b) to section 61T (2) of this Act were a reference to **section 71s (2)** of this Act.

15 “(5) Where any contributor to whom **subsection (4)** of this section applies dies, no annuity shall be payable under sections 61N (1) (b) or 61N (2) (b) of this Act until such time as the contributor’s annual retiring allowance would have been payable had the contributor survived and attained the age at which the contributor elected to receive the retiring allowance.

20 “(6) For the purposes of calculating the amount of the retiring allowance payable to the contributor at the date at which the contributor has elected to receive the retiring allowance and for the purposes of calculating any annuity, the contributor shall be deemed to have been receiving the annual
25 retiring allowances from the date of retirement, after allowing for the effect of any election under sections 40, 48, and **section 71M** of this Act.

30 “71O. **Contributions in respect of previous service in armed forces**—(1) Where any contributor has served as a member of the regular forces or as a regular member of the armed forces of any State other than New Zealand for any period or periods before the commencement of the contributor’s contributory service as a member of the regular forces, the contributor may, with the consent of the Board and
35 the New Zealand Defence Council, elect to contribute to the Fund in respect of the whole or any part of that period or those periods of previous service.

40 “(2) The consent of the Board under **subsection (1)** of this section may be given subject to such conditions as the Board thinks fit including payment of contributions at such rate or rates as the Board thinks fit.

“ (3) Except with the consent of the Board no election under this section shall be made more than 5 years after the contributor last became a member of the regular forces.

“(4) No election shall be made under this section so as to enable any contributor—

“(a) To contribute to the Fund in respect of any period of service for which the contributor is receiving or has received any pension or retiring allowance except with the consent of the Board and subject to such conditions as may be imposed by the Board: 5

“(b) To contribute to the Fund in respect of any period of contributory service in excess of 10 years occurring before the commencement of the contributor’s current actual continuous service as a member of the regular forces unless that earlier contributory service was service as a member of the regular forces. 10

“71P. **Option where contributor on leave of absence without salary**—(1) Where any contributor under this Part of this Act is on leave of absence without salary, the contributor may elect that section 32 of this Act (as applied by **section 71s (2)** of this Act) shall apply, or may elect that that section shall not apply and that **subsection (2)** of this section shall apply. 15 20

“(2) Where a contributor elects that this subsection shall apply—

“(a) The contributor’s contributions shall remain in the Fund:

“(b) The contributor shall not be liable to pay contributions in respect of the period of leave of absence: 25

“(c) The period of leave of absence shall not be counted as contributory service of the contributor:

“(d) If the person again becomes a contributor to the Fund under this Part of this Act before attaining the age of 50 years, the person’s contributions shall not be refunded to the person, and the person’s previous record of contributory service shall be reactivated and count as continuous contributory service for the purpose of calculating benefits under this Part of this Act, but shall be discounted in the following manner: 30 35

“(i) A discount of 1.25 percent for each complete year of the period of the person’s ineligibility to be a contributor for which the person has a corresponding period of contributory service that will be reactivated in accordance with this section, and of a relative proportion of that percentage in respect of any additional fraction of a year of 40

ineligibility for which the person has a corresponding period of such contributory service:

5 “(ii) A discount of 2.25 percent for each complete year of the period of the person’s ineligibility to be a contributor that is in excess of the person’s period of contributory service that will be reactivated in accordance with this section and of a relative proportion of that percentage in respect of any additional fraction of a year of ineligibility for
10 which the person has no corresponding period of such contributory service:

 “(e) If the contributor dies during the period of leave of absence and leaves a spouse, sections 61M and 61Q of this Act shall not apply and there shall be paid out of the Fund to the spouse, at the election of the spouse—
15

 “(i) A refund of the contributor’s contributions to the Fund increased in respect of contributions paid in respect of any period of contributory service under Part III or this Part of this Act by 0.25 percent for every month between the date of commencement of the contributor’s contributory service and the date of the contributor’s death; or
20

 “(ii) An annuity at one-half of the rate of the retiring allowance to which the deceased contributor would have been entitled if the contributor had become entitled to a retiring allowance calculated under **section 71G** of this Act on the date of the contributor’s death—
25 and the entitlement of the spouse to the refund or annuity shall not be affected by any change in the marital status of that spouse:

 “(f) If the contributor dies during the period of leave of absence and does not leave a spouse, sections 61O and 61Q of this Act shall not apply and there shall be paid out of the Fund to the contributor’s personal representatives in trust for the persons entitled to receive them under the contributor’s will or under the Acts relating to the distribution of intestate estates, as the case may be, the contributor’s contributions to the Fund increased in respect of contributions paid in respect of any period of contributory service under Part III or this Part of this Act by 0.25 percent for every month
35 between the date of commencement of the
40
45

contributor's contributory service and the date of the contributor's death.

“(3) Any period of discounted contributory service referred to in **subsection (2) (d)** of this section shall be deemed to precede immediately the date on which the person again became a contributor to the Fund. 5

“(4) Nothing in this section shall apply in respect of any period of leave of absence without salary of less than 92 days duration.

“**71Q. Election to contribute in respect of previous Government service**—(1) Subject to **subsection (2)** of this section, where any contributor under this Part of this Act has service in the Government service that is not at present included in the contributor's contributory service, the contributor may elect to contribute to the Fund under this Part of this Act in respect of not more than 10 years of that service. 15

“(2) Except with the consent of the Board, and subject to such conditions as it thinks fit, including payment of contributions at such rate or rates as may be determined by the Board, no election may be made under **subsection (1)** of this section by any person— 20

“(a) Who is not a full-time member of the regular forces; or

“(b) In respect of any period during which the contributor was not a permanent full-time employee in the Government service; or 25

“(c) Who has attained the age of 50 years.

“(3) Without limiting the power of the Board to require greater contributions in any case to which **subsection (2)** of this section applies, where a contributor makes an election to contribute under this section, the contributor shall contribute to the Fund in respect of the period to which the election relates as if that service had been service as a member of the regular forces— 30

“(a) On the salary received by the contributor in respect of that period; or 35

“(b) As if the contributor received salary in respect of that period at the rate of salary payable to the contributor at the date of the election—

whichever is the greater.

“(4) Where any election is made under this section the extent to which the Government service concerned is to be treated as service under this Part of this Act shall be determined by the Board. 40

“(5) Except with the consent of the Board, every election under this section shall be made within 5 years of the contributor becoming a member of the regular forces.

“71R. **Election to contribute at former rate where salary reduced**—(1) Where for any reason a contributor’s salary has been reduced (whether by reason of the contributor ceasing to hold higher rank or otherwise) the contributor may, by notice in writing delivered to the Board not later than 3 months after the date of the reduction, or within such further time as the Board may in any case allow, elect to continue to contribute to the Fund as if the salary had not been so reduced; and every person so electing and contributing shall be entitled on retirement to a retiring allowance (if any) computed as if the salary had not been so reduced.

“(2) In the case of any reduction of a contributor’s salary by reason of the contributor ceasing to hold any rank higher than the contributor’s substantive rank, the contributor may, instead of exercising the contributor’s right under **subsection (1)** of this section, elect to receive a refund of the contributor’s contributions to the Fund in respect of the excess of the contributor’s salary over the salary for the rank (*to*) which the contributor then holds, and the amount of that excess shall be deemed not to form part of the contributor’s salary for the purposes of this Act.

“(3) Interest shall be payable on any refund payable under **subsection (2)** of this section at the rate of 0.25 percent for each month during which the contributions in respect of the excess were held by the Fund.

“(4) Except with the consent of the Board, no contributor may make an election under **subsection (1)** of this section following an interval during which the contributor was not in the regular forces.

“(5) Where any election is made under **subsection (1)** of this section, the Board may require the contributor to pay, in respect of the difference between the salary received by the contributor from time to time and the salary the contributor would have received from time to time, as additional contributions the amount certified by the Government Actuary as the total amount of contributions that would be required to be paid if the contributions provided the total cost of the benefits to which the contributor may become entitled under this Act, or such lesser amount as the Board may determine.

“71s. Sections to apply to contributors and contributions under this Part—(1) Except as provided in this section, nothing in Part II, Part IIA, or Part III of this Act shall apply to contributors or contributions under this Part of this Act. 5

“(2) Sections 32, 37, 40, 43, 48, 60, and 66B of this Act shall apply to contributors and contributions under this Part of this Act as if those sections were also included in this Part of this Act.

“(3) Sections 61L, 61M, 61N, 61O, and 61Q of this Act shall apply in respect of contributors and contributions under this Part of this Act in the manner indicated in **sections 71G, 71H (4), 71L, 71N, and 71P (2)** of this Act. 10

“(4) Section 70 (5) of this Act shall apply to contributors under this Part of this Act to the extent specified in **section 71D (2)** of this Act.” 15

(2) Section 7 of the Government Superannuation Fund Amendment Act 1969 is hereby amended by adding the following subsection:

“(6) Nothing in subsection (4) or subsection (5) of this section shall apply in respect of— 20

“(a) Any retiring allowance payable under any of **sections 71G, 71H, and 71J (2) (b)** of the principal Act:

“(b) Any annuity payable under any of **sections 71J (3), 71L, 71N (4), and 71P (2) (e) (ii)** of the principal Act: 25

“(c) Any retiring allowance or annuity payable by virtue of any election made under **section 15 or section 16** of the Government Superannuation Fund Amendment Act 1986.

15. Special provisions in respect of certain contributors who retire between 1 December 1984 and 5 December 1986—(1) Any person to whom a retiring allowance first becomes payable under Part III of the principal Act on or after the 1st day of December 1984 and before the **5th day of December 1986** may elect, before the **1st day of July 1987** or such later date as the Board may allow, that this section shall apply in respect of that person. 30 35

(2) Where any person to whom **subsection (1)** of this section applies dies before making the election that the person is entitled to make under that subsection the spouse of that person or, if there is no spouse the personal representative of that person, may elect before the **1st day of July 1987** or such later 40

date as the Board may allow that the provisions of this section shall apply in respect of the deceased person.

(3) Where any election is made under **subsection (1)** or **subsection (2)** of this section—

- 5 (a) Extra contributions shall be payable by or in respect of the contributor at the rate of 0.3 percent of salary for the period beginning with the 1st day of December 1984 and ending with the date on which the retiring allowance first became payable to the contributor under Part III of the principal Act:
- 10 (b) **Section 71M** of the principal Act shall apply as if the contributor had been a contributor under **Part IIIA** of the principal Act and as if the contributor had attained the age of 50 years at the date of the contributor's retirement or death:
- 15 (c) **Section 71G** of the principal Act shall apply with respect to the calculation of the contributor's retiring allowance:
- 20 (d) **Section 71L** of the principal Act shall apply with respect to the calculation of any annuity payable in respect of the contributor.

16. Special provisions in respect of certain contributors who die between 1 December 1984 and 5 December 1986 and before retiring—

25 (1) This section shall apply in respect of any person who died on or after the 1st day of December 1984 and before the **5th day of December 1986** and who was a contributor under Part III of the principal Act immediately before the contributor's death.

30 (2) The spouse, or, if there is no spouse, the personal representative of any person in respect of whom **subsection (1)** of this section applies, may elect before the **1st day of July 1987** or such later date as the Board may allow that the provisions of this section shall apply in respect of the deceased person.

35 (3) Where any election is made under **subsection (2)** of this section—

- (a) Extra contributions shall be payable in respect of the contributor at the rate of 0.3 percent of salary for the period beginning with the 1st day of December 1984 and ending with the date of the contributor's death:
- 40 (b) **Sections 71M** and **91A** of the principal Act shall apply as if the contributor had been a contributor under **Part IIIA** of the principal Act and as if the contributor had

attained the age of 50 years at the date of the contributor's death:

(c) **Section 71G** of the principal Act shall apply with respect to the calculation of the contributor's retiring allowance: 5

(d) **Section 71L** of the principal Act shall apply with respect to the calculation of any annuity payable in respect of the contributor.

Judicial Superannuation

17. Rights and benefits where judicial service ceases other than on death—(1) The principal Act is hereby amended by inserting, after section 74I (as substituted by section 2 of the Government Superannuation Fund Amendment Act 1980), the following section: 10

“74IA. Section 61s of this Act shall apply in respect of Judges as if— 15

“(a) Judges were contributors under Part IIA of this Act:

“(b) Paragraph (b) of subsection (1) of that section, and the reference to that paragraph in subsection (5) of that section, had been repealed: 20

“(c) The references in that section to Government service included judicial service:

“(d) The references in that section to section 61L of this Act were references to section 74E of this Act.”

(2) Section 74H(3) of the principal Act (as substituted by section (2) 2 of the Government Superannuation Fund Amendment Act 1980) is hereby amended by inserting, after the words “without interest”, the words “unless interest is payable under section 61s (1) (a) of this Act (as applied by section 74IA of this Act)”. 25 30

(3) Section 74I(2) of the principal Act (as substituted by section 2 of the Government Superannuation Fund Amendment Act 1980) is hereby amended by inserting, after the words “without interest”, the words “unless interest is payable under section 61s (1) (a) of this Act (as applied by section 74IA of this Act)”. 35

(4) This section is hereby deemed to have come into force on the 1st day of May 1985.

18. Benefits payable on death of Judge—(1) The principal Act is hereby amended by repealing section 74J (as substituted by section 2 of the Government Superannuation Fund Amendment Act 1980), and substituting the following section: 40

“74J. (1) Subject to **subsection (2)** of this section, sections 61M, 61N, 61O, and 61Q of this Act shall apply in respect of Judges as if—

“(a) Judges were contributors under Part IIA of this Act:

5 “(b) The references in those sections to becoming entitled to a retiring allowance were references to receipt of the first instalment of that allowance:

“(c) The references in those sections to Government service included judicial service:

10 “(d) The reference in section 61M (1) (b) (ii) to the ground of medical unfitness for further duty were a reference to resignation of office under section 74E (1) (d) of this Act:

“(e) Section 61s (1) (b) of this Act had been repealed.

15 “(2) Notwithstanding the limitations in sections 61M (1) (b) (ii) and 61N (1) (b) and (2) (b) of this Act (as applied by **subsection (1)** of this section) where a Judge dies and leaves a spouse who last became the spouse of the Judge before the Judge received any instalment of a retiring allowance (irrespective of the date at
20 which the Judge became entitled to receive a retiring allowance) who elects to receive an annuity, the minimum annuity that shall be payable to the spouse shall be—

“(a) Fifteen percent of the salary payable to the Judge at the date of the Judge’s retirement or death, whichever
25 first occurs; or

“(b) Where the Judge has made an election under the second proviso to section 78 (1) of this Act, 20 percent of the salary payable to the Judge at the date of the Judge’s retirement or death, whichever first
30 occurs—

reduced by the same proportion as that which the spouse has elected to surrender under section 61M (1) (b) (i) of this Act.”

(2) This section is hereby deemed to have come into force on the 1st day of May 1985.

35

New

18A. Computation of retiring allowance for members of Police—Section 88F of the principal Act (as inserted by section 2 of the Government Superannuation Fund Amendment Act (No. 2) 1985) is hereby amended by omitting
40 from subsection (2) the words “less, in respect of every month or part of a month after the date of retirement and during which the contributor is under the age of 55 years, 0.004

New

percent of the contributor's final average earnings", and substituting the following proviso:

"Provided that the figure of 1.5 referred to in this subsection shall be reduced by 0.004 in respect of every month or part of a month after the date of retirement during which the contributor is under the age of 55 years."

19. New Part inserted—The principal Act is hereby amended by inserting, after section 88M (as inserted by section 2 of the Government Superannuation Fund Amendment Act (No. 2) 1985), the following heading and sections:

"PART VI B

"SUPERANNUATION OF MEMBERS OF PRISONS SERVICE

"88N. **Application**—(1) This Part of this Act shall apply to every contributor to the Fund who is or becomes a member of the Prisons Service required to contribute to the Fund in that capacity, and the entitlements of and benefits payable to or in respect of that person shall be determined in accordance with this Part and Part VII of this Act and not otherwise.

"(2) This Part of this Act shall not apply in respect of any person who has been a member of the Prisons Service but is not a member of the Prisons Service at the date of the person's retirement or death.

"88O. **Members of Prisons Service to become and remain contributors to Fund under this Part**—(1) Every person who, on or after the **11th day of December 1986**, becomes a member of the Prisons Service shall contribute to the Fund under this Part of this Act in respect of any period during which the person remains a member of the Prisons Service.

"(2) Every person who immediately before the **11th day of December 1986**, is a member of the Prisons Service and is a contributor under Part II of the Government Superannuation Fund Amendment Act 1962 shall become a contributor under this Part of this Act on and from that date and, except as provided in **subsection (3)** of this section and **section 88P** of this Act shall remain a contributor to the Fund under this Part of this Act in respect of any period during which that person remains a member of the Prisons Service.

“(3) Every person to whom **subsection (2)** of this section applies may, at any time before the **1st day of July 1987** or within such later period as the Superintendent may allow, notify the Superintendent that the contributor elects that this Part of this
5 Act shall not apply to the contributor and that Part II of the Government Superannuation Fund Amendment Act 1962 shall continue to apply in respect of that contributor.

“(4) Every election made under **subsection (3)** of this section shall take effect on and from the **11th day of December 1986**, and
10 the contributions payable by the contributors who make such elections and the benefits payable in respect of contributions by such contributors shall be calculated accordingly.

“**88P. Right of contributors under Part II of Government Superannuation Fund Amendment Act 1962**
15 **to cease to pay contributions after 32 years’ contributory service**—(1) Every person to whom **section 88o (2)** of this Act applies may, at any time after completing 32 years’ actual contributory service in the Prisons Service, elect to cease paying contributions to the Fund and to receive a retiring
20 allowance that shall commence to be payable on the day after the date on which the contributor ceases to be employed in the Prisons Service.

“(2) The retiring allowance of any person who has made an election under **subsection (1)** of this section shall be calculated
25 under section 61L of this Act (as applied by **section 88z** of this Act) except that—

“(a) The contributor’s final average earnings shall be determined under section 61L of this Act as if the date on which the contributor ceased contributions was the date of the contributor’s retirement:
30

“(b) The final average earnings shall be increased by the percentage (if any) as certified by the Government Statistician by which the all groups index number of the New Zealand Consumer Price Index for the quarter which immediately precedes the date upon
35 which the retiring allowance is to be paid exceeds the index number for the quarter immediately following the date on which the contributor ceased contributions:

40 “(c) For the purposes of **section 88r** of this Act, the date upon which the allowance is to be paid shall be treated as the date of the contributor’s retirement.

“(3) Where any contributor who has made an election under **subsection (1)** of this section dies before becoming entitled to

receive a retiring allowance that person shall be deemed to have been a contributor to the Fund on the date of the person's death.

“88Q. Rate of contributions—(1) The contributions to be made by every contributor under this Part of this Act shall be 5
8.5 percent of the contributor's salary.

“(2) All contributions shall be deducted from the salary of the contributor and paid to the Fund as the salary becomes payable from time to time.

“88R. Calculation of contributory service—(1) This 10
section applies to every person who becomes a contributor under this Part of this Act and who is a member of the Prisons Service at the date of the person's death or retirement.

“(2) For the purpose of calculating the contributory service of any person to whom this section applies, the actual 15
contributory service of that person as a member of the Prisons Service shall, subject to **subsection (3)** of this section, be increased by 25 percent.

“(3) No person to whom this section applies shall be entitled to have more than 40 years' contributory service counted for 20
any of the purposes of this Act unless that person has more than 40 years' actual contributory service, in which case only the actual contributory service shall be counted.

“88s. Entitlement to retiring allowance—(1) Every 25
contributor to the Fund under this Part of this Act to whom this section applies who ceases to be employed in the Prisons Service, shall, subject to this Part of this Act, thereafter be entitled to receive an annual retiring allowance calculated under **section 88t** of this Act.

“(2) This section applies to all contributors under this Part of 30
this Act who have attained the age of 58 years.

“(3) This section also applies to all contributors under this Part of this Act—

“(a) Who have made an election under section 61s (1) (d) of this Act (as applied by **section 88z** of this Act) to 35
receive a retiring allowance; or

“(b) Who have made an initial election under section 61s (1) (d) of this Act and who die before making the further election provided for in that paragraph or 40
before the date specified in that further election.

“(4) This section also applies to all contributors under this Part of this Act—

“(a) Who have attained the age of 50 years; and

“(b) Who have completed not less than 10 years’ contributory service; and

“(c) Who have agreed in writing that this section should apply to them; and

5 “(d) In respect of whom the State Services Commission has agreed in writing that this section should apply to them.

“88T. **Calculation of retiring allowance**—(1) The retiring allowance of every contributor to the Fund under this Part of this Act who is entitled under **section 88s (2)** or section 61K of this Act (as applied by **section 88z** of this Act) to receive a retiring allowance shall be 1.5 percent of the contributor’s final average earnings for every full year of contributory service as increased under **section 88R** of this Act and a proportionate part of 1.5 percent of the contributor’s final average earnings for any fraction of a year of contributory service.

“(2) The retiring allowance of every contributor to the Fund under this Part of this Act who is entitled under **section 88P** or **subsection (3) or subsection (4) of section 88s** of this Act to receive a retiring allowance shall be 1.5 percent of the contributor’s final average earnings for every full year of contributory service as increased under **section 88R** of this Act and a proportionate part of 1.5 percent of the contributor’s final average earnings for any fraction of a year of contributory service less—

25 “(a) In respect of every month or part of a month after the date of retirement and during which the contributor is of or over the age of 53 years but under the age of 58 years, 0.004 percent of the contributor’s final average earnings; and

30 “(b) In respect of every month or part of a month after the date of retirement and during which the contributor is under the age of 53 years, 0.002 percent of the contributor’s final average earnings.

“(3) The Board may from time to time suspend, reduce, or 35 cancel any retiring allowance payable under section 61K of this Act (as applied by **section 88z** of this Act) to any contributor under this Part of this Act who has not attained the age of 58 years if—

40 “(a) The contributor resumes employment whether in the Government service or elsewhere, or becomes gainfully self-employed; or

“(b) The contributor has ceased to be medically unfit for further duty, and fails to accept any employment offered by a controlling authority that is considered

by the Board to be suitable and reasonable for the contributor; or

“(c) The Board is satisfied that the degree of disability of the contributor is not sufficient to justify the payment of part or all of the allowance; or 5

“(d) The contributor fails without sufficient justification to submit to medical examination when and as often as required by the Board; or

“(e) The Board does not know the present whereabouts of the contributor, or whether the contributor is alive or dead. 10

“(4) Any suspension, reduction, or cancellation of a retiring allowance under **subsection (3)** of this section shall cease when the contributor attains the age of 58 years.

“(5) Any decision of the Board under **subsection (3)** of this section to suspend, reduce, or cancel a retiring allowance shall be disregarded for the purposes of sections 61N, 61O, and 61Q of this Act (as applied by **section 88z** of this Act). 15

“(6) Where any contributor has, with the consent of the Board, elected under the proviso to section 44 (1) of this Act (as applied by **section 88z** of this Act) to have the contributor’s retiring allowance computed in respect of the total length of the contributor’s periods of contributory service as if they were continuous, the retiring allowance of any contributor to the Fund calculated under this section shall be reduced by the amount of any retiring allowance that relates to any previous period of contributory service and has been surrendered by the contributor under section 91 of this Act. 20 25

“(7) For the purposes of determining the retiring allowance of any contributor under this Part of this Act this section shall be deemed to include subsections (6) to (9) of section 61L of this Act and shall be read as if those subsections were part of this section. 30

“88U. **Benefits where contributor leaves Prisons Service other than on death or retirement**—(1) Section 61s of this Act shall apply to contributors under this Part of this Act, as if the references in that section to Government service were references to service in the Prisons Service. 35

“(2) Where any person makes an election under section 61s (1) (b) of this Act (as applied by **subsection (1)** of this section) section 61R of this Act shall apply in respect of the contributor and the contributions as if the references in that section to Government service were references to service in the Prisons Service. 40

“(3) Where any person makes an election under section 61s (1) (b) of this Act (as applied by **subsection (1)** of this section), **section 88R** of this Act shall not apply in respect of any contributory service under this Part of this Act unless the
5 person again becomes a contributor under this Part of this Act.

“88v. **Benefits on death of contributor**—Sections 61M, 61N, 61O, and 61Q of this Act shall apply in respect of contributors under this Part of this Act as if—

10 “(a) The references in those sections to Government service included the Prisons Service:

“(b) The reference in section 61N (1) (b) to section 61T (2) were a reference to **section 88z** of this Act.

“88w. **Option where contributor on leave of absence without salary**—(1) Where any contributor under this Part of
15 this Act is on leave of absence without salary, the contributor may elect that section 32 of this Act (as applied by **section 88z** of this Act) shall apply, or may elect that that section shall not apply and that **subsection (2)** of this section shall apply.

20 “(2) Where a contributor elects that this subsection shall apply—

“(a) The contributor’s contributions shall remain in the Fund:

“(b) The contributor shall not be liable to pay contributions in respect of the period of leave of absence:

25 “(c) The period of leave of absence shall not be counted as contributory service of the contributor:

“(d) If the person again becomes a contributor to the Fund under this Part of this Act before attaining the age of 50 years, the person’s contributions shall not be
30 refunded to the person, and the person’s previous record of contributory service shall be reactivated and count as continuous contributory service for the purpose of calculating benefits under this Part of this Act, but shall be discounted in the following
35 manner:

“(i) A discount of 1.25 percent for each complete year of the period of the person’s ineligibility to be a contributor for which the person has a corresponding period of contributory service that
40 will be reactivated in accordance with this section, and of a relative proportion of that percentage in respect of any additional fraction of a year of ineligibility for which the person has a corresponding period of such contributory service:

“(ii) A discount of 2.25 percent for each complete year of the period of the person’s ineligibility to be a contributor that is in excess of that person’s period of contributory service that will be reactivated in accordance with this section, and of a relative proportion of that percentage in respect of any additional fraction of a year of ineligibility for which the person has no corresponding period of such contributory service: 5

“(e) If the contributor dies during the period of leave of absence and leaves a spouse, sections 61M and 61Q of this Act shall not apply, and there shall be paid out of the Fund to the spouse, at the election of the spouse,— 10

“(i) A refund of the contributor’s contributions to the Fund increased in respect of contributions paid under this Part of this Act in respect of any period of service after the 9th day of December 1986, by 0.25 percent for every month of contributory service under this Part; or 15 20

“(ii) An annuity at one-half of the rate of the retiring allowance to which the deceased contributor would have been entitled if the contributor had become entitled to a retiring allowance calculated under section 88s of this Act on the date of the contributor’s death— 25
and the entitlement of the spouse to the refund or annuity shall not be affected by any change in the marital status of that spouse:

“(f) If the contributor dies during the period of leave of absence and does not leave a spouse, sections 61O and 61Q of this Act shall not apply and there shall be paid out of the Fund to the contributor’s personal representatives in trust for the persons entitled to receive them under the contributor’s will or under the Acts relating to the distribution of intestate estates, as the case may be, the contributor’s contributions to the Fund increased in the same manner as they would have been increased under paragraph (e) (i) of this subsection if the contributor had left a spouse. 30 35 40

“(3) Any period of discounted contributory service referred to in subsection (2) (d) of this section shall be deemed to precede

immediately the date on which the person again became a contributor to the Fund.

“88x. **Contributor may elect to contribute in respect of prior service or notional service**—(1) Subject to **subsections (2) and (3)** of this section, where any contributor under this Part of this Act has service in the Government service that is not at present included as contributory service or wishes to contribute under section 23A of this Act (as applied by **section 88z** of this Act) in respect of notional service, the contributor may elect to contribute to the Fund under this Part of this Act in respect of that service.

“(2) Except with the consent of the Board, and subject to such conditions as it thinks fit, including payment of contributions at such rate or rates as may be determined by the Board, no election may be made under **subsection (1)** of this section by any contributor—

“(a) Who is not receiving salary as a full-time member of the Prisons Service; or

“(b) In respect of any period during which the contributor was not a permanent full-time employee in the Government service; or

“(c) Who has attained the age of 50 years.

“(3) No contributor may contribute under this Part of this Act in respect of training or service to which section 2 (2) of this Act applies or under section 23A of this Act in respect of any notional service without the consent of the State Services Commission and the Board which, in the case of the Board, may be given subject to such conditions as it thinks fit, including payment of contributions at such rate or rates as may be determined by the Board.

“(4) The service in respect of which any contributor contributes under this section shall be counted as Government service, but shall not be counted as service as a member of the Prisons Service unless it was service as a member of the Prisons Service.

“(5) Without limiting the power of the Board to require greater contributions in any case to which **subsection (2)** or **subsection (3)** of this section applies, where a contributor makes an election to contribute under this section, the contributor shall pay contributions in respect of the service to which the election relates at the appropriate rate under this Part of this Act—

“(a) On the salary received by the contributor in respect of that period; or

“(b) As if the contributor received salary in respect of that period at the rate of salary payable to the contributor at the end of the election—
whichever is the greater.

“88y. **Service in Cook Islands, Niue, and Tokelau—** 5
Where any contributory service as a contributor under this Part of this Act is computed under section 51 of this Act (as applied by section 88z of this Act) the provisions of this Part of this Act relating to increases of actual contributory service shall apply in respect of that service only on such terms and 10 conditions and to the extent that the Board shall determine in any individual case or class of cases.

“88z. **Sections to apply to contributors and contributions under this Part—**(1) Except as provided in this section, nothing in Part II or Part IIA of this Act shall apply to 15 contributors or contributions under this Part of this Act.

“(2) Subject in the case of section 23A to section 88x of this Act, sections 23A, 32, 33, 37, 40, 42 (except subsections (1) and (2)), 43, 44, 48, 51, 55, 58, 60, and 61k of this Act shall apply to contributors and contributions under this Part of this Act as if 20 those sections were also included in this Part of this Act.

“(3) Sections 61L, 61M, 61N, 61O, 61Q, 61R, and 61s of this Act shall apply in respect of contributors and contributions under this Part of this Act in the manner indicated in sections 88p, 88r, 88u, and 88v of this Act.” 25

20. Special provision in respect of certain contributors who retire or die between 1 May 1985 and 10 December 1986 or die between 1 December 1984 and 10 December 1986—(1) Every member of the Prisons Service to whom Part II of the Government Superannuation Fund Amendment Act 30 1962 applies who first became entitled to receive a retiring allowance on or after the 1st day of May 1985 may elect, before the 1st day of July 1987, or such later date as the Board may allow, that Part VIb of the principal Act shall apply in respect of that person. 35

(2) Where any person to whom subsection (1) of this section applies dies before making the election that the person is entitled to make under that subsection, or any member of the Prisons Service to whom Part II of the Government Superannuation Fund Amendment Act 1962 applies dies on or 40 after the 1st day of December 1984 and before the 11th day of December 1986, the spouse of that person or, if there is no spouse of that person, the personal representative of that

person may elect, before the **1st day of July 1987** or such later date as the Board may allow, that **Part VIb** of the principal Act shall apply in respect of the deceased person.

21. New section relating to application of Part VII of principal Act inserted—(1) The principal Act is hereby amended by inserting, after the heading to Part VII and before section 89, the following section:

“**88ZA. Application of this Part**—(1) Except as provided in this section, this Part shall apply to and in respect of every person who contributes to the Fund as if that person were a contributor within the meaning of this Act.

“(2) Section 95 of this Act shall not apply in respect of the Judges Superannuation Fund Account referred to in section 74M of this Act, or the Parliamentary Superannuation Account referred to in section 88 of this Act.”

(2) Sections 74K and 79A of the principal Act are hereby consequentially repealed.

22. Capitalisation of part of retiring allowance—(1) Section 91 of the principal Act is hereby amended by repealing subsection (1), and substituting the following subsection:

“(1) Any contributor who becomes entitled to a retiring allowance under this Act may elect to surrender the right to receive a proportion of the retiring allowance and to receive instead payment out of the Fund of a sum equal to,—

“(a) In the case of a contributor to the Fund under Part IIA, Part IV, Part V, Part VI, Part VIA, or **Part VIb** of this Act, 10 times the amount by which the annual retiring allowance is reduced by the surrender:

“(b) In the case of any other contributor (not being a contributor to whom **section 71M** of this Act or section 14 of the Government Superannuation Fund Amendment Act 1970 applies), 9 times the amount by which the annual retiring allowance is reduced by the surrender.”

(2) Section 91 (6) of the principal Act is hereby amended by inserting, after the words “a contributor” the words “or a contributor has made an election under section 61s(1)(d) of this Act”.

(3) Section 16 of the Government Superannuation Fund Amendment Act 1985 and section 4 of the Government

Superannuation Fund Amendment Act (No. 2) 1985 are hereby consequentially repealed.

(4) Section 91 (1) of the principal Act (as substituted by **subsection (1)** of this section) shall apply in respect of contributors to the Fund under Part IV or Part V of this Act as if it had come into force on the 1st day of December 1984. 5

23. Capitalisation of part of annuity—(1) Section 91A of the principal Act (as inserted by section 19(1) of the Government Superannuation Fund Amendment Act 1979) is hereby amended by repealing subsection (2), and substituting the following subsection: 10

“(2) Any surviving spouse to whom this section applies may elect to surrender the right to a proportion of the annuity and to receive instead payment out of the Fund of a sum equal to— 15

“(a) In the case of an annuity payable to the spouse of a person who was a contributor under Part IIA, Part IIIA, Part IV, Part V, Part VIA, or Part VIB of this Act, 10 times the amount by which the annuity is reduced by the surrender: 20

“(b) In the case of an annuity payable to the spouse of a person who was a contributor under any other Part of this Act, Part II of the Government Superannuation Fund Amendment Act 1962, or Part II of the Government Superannuation Fund Amendment Act 1970, 9 times the amount by which the annuity is reduced by the surrender.” 25

(2) Section 17 of the Government Superannuation Fund Amendment Act 1985 and section 5 of the Government Superannuation Fund Amendment Act (No. 2) 1985 are hereby consequentially repealed. 30

(3) Section 91A (2) of the principal Act (as substituted by **subsection (1)** of this section) shall apply in respect of contributors to the Fund under Part IV or Part V of this Act as if it had come into force on the 1st day of December 1984. 35

24. Payment of part of retiring allowance to other persons—(1) The principal Act is hereby amended by inserting, after section 91A (as inserted by section 19 (1) of the Government Superannuation Fund Amendment Act 1979), the following section: 40

Struck Out

- “91B. (1) Any contributor may, at any time within the 3 months before or at any time after the contributor becomes entitled to a retiring allowance, elect to surrender from any
5 specified date a specified portion of the contributor’s basic retiring allowance not exceeding one-half in return for payment to another person (in this section called ‘the assignee’) of a portion of that retiring allowance determined under **subsection (3)** of this section.
- 10 “(2) For the purposes of this section, the term ‘basic retiring allowance’ means the annual amount of the retiring allowance payable under this Act after taking into account any surrender under section 48 or section 91 of the Act, but disregarding the effect of any election made under section 40 of the Act.
- 15 “(3) The portion of any retiring allowance that is to be paid to any assignee under this section shall be determined by the Board on an actuarial basis so that there is no overall increase in the liabilities of the Fund.
- 20 “(4) Any election under **subsection (1)** of this section shall not affect the application of the Government Superannuation Fund Amendment Act 1969 and the Government Superannuation Fund Amendment Act 1979 and where the contributor’s basic retiring allowance is increased under those Acts the amount of the specified portion payable to the
25 assignee shall be increased proportionately.
- “(5) Every election under this section shall be in writing delivered to the Superintendent and shall be irrevocable once any payment has been accepted from the Fund pursuant to the election.
- 30 “(6) Where any assignee dies, the portion of the retiring allowance payable to the person who surrendered a portion of a retiring allowance to enable the assigned portion to be paid shall not be increased.
- 35 “(7) Where a person who has surrendered a portion of a retiring allowance under this section dies, no annuity shall be payable to the assignee or to any other person.
- 40 “(8) Nothing in this section shall in any way restrict or prevent the suspension, reduction, or cancellation in accordance with this Act of the payment of any retiring allowance.

Struck Out

“(9) Nothing in this section shall in any way affect or apply to the payment of any allowance to a child under section 47 or section 61Q of this Act.”

5

New

“91B. (1) Any contributor may, at any time within the 3 months before or at any time after the contributor becomes entitled to a retiring allowance, elect to surrender from any specified date a specified portion of the contributor’s basic retiring allowance not exceeding one-half in return for
10 payment to another person (in this section called ‘the assignee’) of an allowance determined under **subsection (3)** of this section.

“(2) For the purposes of this section, the term ‘basic retiring allowance’ means the annual amount of the retiring allowance
15 payable under this Act after taking into account any surrender under section 48 or section 91 of the Act, but disregarding the effect of any election made under section 40 of the Act.

“(3) The allowance that is to be paid to any assignee under this section shall be determined by the Board on an actuarial
20 basis so that there is no overall increase or decrease in the liabilities of the Fund.

“(4) Any election under **subsection (1)** of this section shall not affect the application of the Government Superannuation Fund Amendment Act 1969 and the Government
25 Superannuation Fund Amendment Act 1979 and where the contributor’s basic retiring allowance is increased under those Acts the allowance payable to the assignee shall be increased proportionately.

“(5) Every election under this section shall be in writing
30 delivered to the Superintendent and shall be irrevocable once any payment has been accepted from the Fund pursuant to the election.

“(6) Where any assignee dies, the allowance payable to the assignee under this section shall cease; and the portion of the
35 retiring allowance payable to the person who surrendered a portion of a retiring allowance to enable the allowance to be paid shall not be increased by reason of the death of the assignee.

“(7) Where a person who has surrendered a portion of a
40 basic retiring allowance under this section dies,—

New

- 5 “(a) Any annuity payable in respect of the basic retiring allowance shall be calculated on that portion of the basic retiring allowance that has not been surrendered under this section; and
- 10 “(b) The allowance payable to the assignee under this section shall continue until the death of the assignee and shall be increased in accordance with subsection (4) of this section as if the contributor’s basic retiring allowance remained payable.
- 15 (8) The minimum annuities referred to in sections 45, 74J, 79 and 87 of this Act shall be reduced by the proportion that the basic retiring allowance on which they are based has been surrendered under subsection (1) of this section.
- 20 “(9) Nothing in this section shall in any way restrict or prevent the suspension, reduction, or cancellation in accordance with this Act of the payment of any retiring allowance; and any suspension, reduction, or cancellation shall be applied equally to the retiring allowance and the payments under this section to the assignee.
- “(10) Nothing in this section shall in any way affect or apply to the payment of any allowance to a child under section 47 or section 61Q of this Act.”

- 25 (2) Section 6 of the Government Superannuation Fund Amendment Act 1969 is hereby amended by inserting in subsection (1) and the proviso to subsection (2), after the expression “section 40”, in both cases, the expression “section 91B”.

- 30 **25. Agreements under section 21 of the Matrimonial Property Act 1976 to be recognised**—Section 92 of the principal Act is hereby amended by adding the following subsection:

- 35 “(3) Nothing in this section shall prevent the operation of any agreement entered into under section 21 of the Matrimonial Property Act 1976; and every such agreement shall be binding on the Fund and shall be given effect to as necessary by the Superintendent so long as the agreement does not increase the liabilities of the Fund or infringe any requirement relating to compulsory contributions to the
- 40 Fund.”

26. Charging of contributions—Section 92B of the principal Act (as inserted by section 18 (1) of the Government Superannuation Fund Amendment Act 1985) is hereby amended by omitting from subsection (2) (c) the words “under this Part of this Act”. 5

27. Definition of term “benefits” for certain purposes—Section 95 of the principal Act is hereby amended by omitting from subsection (4) (as substituted by section 7 of the Government Superannuation Fund Amendment Act (No. 2) 1985), the expression “or Part VIA”, and substituting the 10 expression “Part IIIA, Part VIA, or Part VIb”.

28. Amendment to Government Superannuation Fund Amendment Act 1962—The Government Superannuation Fund Amendment Act 1962 is hereby amended by inserting after section 17A (as inserted by section 9 of the Government 15 Superannuation Fund Amendment Act (No. 2) 1985), the following section:

“17B. **Restricted application of Act to Prisons Service**—Notwithstanding anything in this Part of this Act applying to members of the Prisons Service nothing in this Part of this Act 20 shall apply in respect of any person who is a member of the Prisons Service on the 11th day of December 1986 (unless that person has made an election under section 88o(3) of the principal Act), or any person who becomes a member of the Prisons Service after that date.” 25

29. Amendments to Government Superannuation Fund Amendment Act 1969—(1) Section 2 of the Government Superannuation Fund Amendment Act 1969 is hereby amended by repealing subsections (8), (9), and (10), and substituting the following subsections: 30

“(8) Where any contributor who has not made an election under subsection (7) of this section has made an election under subsection (4) of this section, and the contributor’s contributory service has not terminated before the 1st day of April 1975, the proportion of the percentage to be applied to 35 any retiring allowance, annual allowance, or annuity in accordance with section 5 of this Act shall be 80 percent plus a percentage calculated in accordance with the following formula:

$$\frac{20p}{h + p}$$

40

where—

h is the period of contributory service before the 1st day of April 1975; and

5 p is the period of contributory service after the 1st day of April 1975,—

the calculation to be the nearest whole number percent unless the application of the formula gives a figure exactly half of one percent below a whole number percent in which case the calculation shall be to the nearest whole number percent
10 above.

“(9) Nothing in **subsection (8)** of this section shall apply in respect of any contributor under Part IIA, **Part IIIA**, Part VIA, or **Part VIb** of this Act or any contributor in respect of whom an election is made under **section 15 or section 16** of the Government
15 Superannuation Fund Amendment Act 1986.”

(2) Section 7 of the Government Superannuation Fund Amendment Act 1969 is hereby amended by omitting from the definition of the term “date of qualification” (as amended by section 6 (2) of the Government Superannuation Fund
20 Amendment Act 1980) the words “or section 74E (1)(d) or section 76 (1) (c) or section 76 (2) (b) of the principal Act”.

New

(2A) Section 5 of the Government Superannuation Fund Amendment Act 1969 is hereby amended by repealing
25 subsections (1B) and (1C), and substituting the following subsection:

“(1B) Nothing in subsection (1A) of this section shall have effect to entitle any contributor to any adjustment to the contributor’s retiring allowance in respect of any period before
30 the date on which the contributor would be entitled to an adjustment if that subsection had not been enacted.”

(2B) Section 7 of the Government Superannuation Fund Amendment Act 1969 is hereby amended by repealing subsection (4).

35 (3) The Government Superannuation Fund Amendment Act 1969 is hereby amended by repealing the Second Schedule, and substituting the Second Schedule set out in **Part I** of the Schedule to this Act.

40 (4) The Government Superannuation Fund Amendment Act 1969 is hereby amended by repealing the Third Schedule, and substituting the **Third** Schedule set out in **Part II** of the Schedule to this Act.

(5) The enactments specified in **Part III** of the Schedule to this Act are hereby consequentially repealed or revoked.

(6) The repeal of sections 5(1), 6(1), and 7(1) of the Government Superannuation Fund Amendment Act 1970 by **subsection (5)** of this section shall not affect any other provisions in those sections and those other provisions shall apply in respect of the new Second Schedule to that Act as substituted by **subsection (4)** of this section. 5

(7) The repeal of section 20(3) of the Government Superannuation Fund Amendment Act 1985 by **subsection (5)** of this section shall not affect the prohibition in that provision on the making of increased payments in respect of any period before the 4th day of April 1985. 10

30. Adjustable retiring allowances, annual allowances, and annuities—The Government Superannuation Fund Amendment Act 1969 is hereby amended by repealing section 3, and substituting the following section: 15

“3. Every retiring allowance, annual allowance, and annuity payable under the principal Act shall be adjustable in accordance with the provisions of this Act.” 20

31. Superannuation rights of certain members of State Services Commission—Section 6 of the State Services Act 1962 is hereby amended by inserting, after the expression “Part II”, the expression “or Part IIA”.

SCHEDULE

Section 29

PART I

NEW SECOND SCHEDULE TO GOVERNMENT SUPERANNUATION FUND
AMENDMENT ACT 1969

Section 5

“SECOND SCHEDULE

PROPORTION OF PERCENTAGE TO BE APPLIED TO ANY RETIRING
ALLOWANCE, ANNUAL ALLOWANCE, OR ANNUITY

1. Where the contributory service terminated before the 15th day of June 1969 80 percent
2. Where the contributory service commenced before the 15th day of June 1969 and has not terminated by that date, and the case is not one to which clause 3 of this Schedule applies 80 percent plus a percentage calculated in accordance with the following formula:
$$\frac{a}{b} \times 20 \text{ percent}$$
where—
 - a is the period of contributory service after the 14th day of June 1969; and
 - b is the total period of contributory service,—the calculation to be to the nearest whole number percent unless the application of the formula gives a figure exactly half of one percent below a whole number percent, in which case the calculation shall be to the nearest whole number percent above.
3. Where—
 - (a) The contributory service commences on or after the 15th day of June 1969; or
 - (b) The retiring allowance, annual allowance, or annuity is payable under Part IIA, Part IIIA, Part VIA, or Part VIa of the principal Act; or
 - (c) The retiring allowance, annual allowance, or annuity is payable to or in respect of any person in respect of whom an election has been made under section 15 or section 16 of the Government Superannuation Fund Amendment Act 1966 100 percent.”

SCHEDULE—*continued*

PART II

NEW THIRD SCHEDULE TO GOVERNMENT SUPERANNUATION FUND
AMENDMENT ACT 1969

Section 7

"THIRD SCHEDULE
DATE OF QUALIFICATION

- | Retiring allowance, annuity, or annual allowance | Date |
|---|---|
| 1. A retiring allowance payable under Part II, Part III, or Part VI of the principal Act | The latest of— (a) The date of attaining the age of 60 years; or (b) The day immediately preceding the date on which the first instalment of the retiring allowance was or will be payable; or (c) The 31st day of March 1956. |
| 2. An annuity payable under Part II, Part III, or Part VI of the principal Act | The latest of— (a) The day immediately preceding the date on which the first instalment of the annuity was or will be payable; or (b) The 31st day of March 1956. Where paragraph (a) applies, the adjustments shall be made as if this provision had come into force on the 31st day of March 1956; but no increased payment shall be made in respect of any period before the 2nd day of April 1987. |
| 3. An annual allowance payable under section 48 of the principal Act | The contributor's date of qualification as determined under this Schedule; but no increased payment shall be made in respect of any period before the 2nd day of April 1987. |
| 4. A retiring allowance or annuity payable under Part IIA, Part IIIA, Part IV, Part V, Part VIA, or Part VI ^a of the principal Act | The day immediately preceding the date on which the first instalment of the retiring allowance or annuity was or will be payable." |

New

- | | |
|---|--|
| 5. A retiring allowance, annual allowance, or annuity payable to or in respect of any person in respect of whom an election has been made under section 15 or section 16 of the Government Superannuation Fund Amendment Act 1986. | The day immediately preceding the date on which the first instalment of the retiring allowance, annual allowance, or annuity was or will be payable. |
|---|--|

SCHEDULE—*continued*

PART III

CONSEQUENTIAL REPEALS AND REVOCATIONS

The Government Superannuation Fund Amendment Act 1970: Sections 5 (1) and (2), 6 (1), 7 (1), and 9. (R.S. Vol. 13, p. 259).

New

The Government Superannuation Fund Amendment Act 1976: Section 12 (2).

The Government Superannuation Fund Amendment Act 1980: Section 6 (2) and (3).

The Government Superannuation Fund Amendment Act 1985: Sections 19 and 20, and so much of Part II of the Second Schedule as relates to section 3 (d) of, and the Third Schedule to, the Government Superannuation Fund Amendment Act 1969.

The Parliamentary Superannuation Determination (No. 2) 1984 (S.R. 1984/187): Clauses 3 and 4.

New

The Government Superannuation Fund Amendment Act 1985: So much of Part II of the Second Schedule as relates to section 7 (4) of the Government Superannuation Fund Amendment Act 1969.

The Government Superannuation Fund Amendment Act (No. 2) 1985: Section 8.