

Hon. Mr. Guinness.

NATIONAL SICK AND ACCIDENT INSURANCE.

ANALYSIS.

Title.	
1. Short Title and commencement.	17. Provision as to casual workers.
2. To whom Act applies.	18. Act applies to New Zealand and to accidents on New Zealand ships. Interpretation.
3. National Sick and Accident Fund.	19. "Employer" includes the Crown.
4. Money to be paid to Public Trustee.	20. Principal and contractor deemed to be employers.
5. Board.	21. No abatement of compensation by reason of policy of assurance being taken out.
6. Contributors to fund.	22. When no compensation payable in regard to accident.
7. Payable to Public Trustee.	23. When no compensation payable in case of death.
8. Compensation to be paid in case of incapacity.	24. When compensation payable to deceased's representatives.
9. Amount of compensation.	25. Districts to be proclaimed.
10. Board to determine as to worker's incapacity.	26. Quarterly return of workers to be rendered by employer.
11. Board may award lump sum in lieu of weekly payment.	27. Regulations.
12. Compensation for injuries.	28. Repeal.
13. How payable in certain cases.	Schedule.
14. Board to have discretionary power as to payment of annuity.	
15. Four weeks' contributions to be paid before compensation payable.	
16. Interpretation of "average weekly earnings."	

A BILL INTITULED

AN ACT to provide Compensation for Workers whilst they are incapacitated by Sickness or Accident, and for their Dependents in the Event of Death. Title.

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

1. This Act may be cited as the National Sick and Accident Insurance Act, 1910, and shall come into force on the first day of Short Title and commencement.  
10 January, nineteen hundred and eleven.

2. This Act applies to the employment of all persons for hire or reward whose average weekly earnings, calculated in accordance with this Act, do not exceed five pounds. To whom Act applies.

3. (1.) There is hereby established a fund to be called the National Sick and Accident Fund.  
15 National Sick and Accident Fund (hereinafter referred to as the fund).

(2.) The fund shall consist of contributions to the fund by employers and workers as hereinafter provided, and interest from time to time accruing from investments of the moneys of the fund as  
20 hereinafter provided.

Money to be paid to  
Public Trustee.

4. All moneys belonging to the fund shall be paid to the Public Trustee, who shall from time to time invest the same in such manner as may be prescribed by regulations.

Board.

5. The fund shall be administered by a special Board (hereinafter referred to as the Board) consisting of the Public Trustee (who shall be *ex officio* Chairman) and two employers and two workers, to be elected in a manner to be prescribed by regulations. 5

Contributors to  
fund.

6. Every employer and every worker to whom this Act applies shall be liable to contribute to the fund as herein provided.

Payable to Public  
Trustee.

7. (1.) The contributions required to be paid into the fund shall be based upon an actuarial calculation, so as to make the same financially sound, in a manner to be prescribed by regulations. 10

(2.) The contributions required as herein provided shall be payable to the Public Trustee by the employers, but every worker shall be liable to reimburse his employer to the extent of one-fourth of the contributions so payable in respect of him, and every employer shall be legally entitled and is hereby empowered to deduct from the wages payable by him to each worker employed by him a sum equal to one-fourth of the contributions for which the employer is liable as aforesaid in respect of each such worker. 15

Compensation to be  
paid in case of  
incapacity.

8. If any worker to whose employment this Act applies becomes incapacitated from carrying out the duties appertaining to such employment by reason of disease, sickness, infirmity, accident, or personal injury of whatsoever nature and howsoever caused, whether in the course of his employment or otherwise, the Public Trustee shall be liable to pay compensation out of the said fund in accordance with the provisions of this Act. 20

Amount of  
compensation.

9. During any period of incapacity as aforesaid the compensation payable under the provisions of the *preceding* section to a worker shall be one-half of the said worker's average weekly earnings at the date of the commencement of such incapacity, such compensation to be paid weekly, with a minimum payment of one pound per week : 30

Provided that the compensation so payable shall in no case exceed in the aggregate the sum of two hundred and fifty pounds in the case of temporary incapacity, or the sum of five hundred pounds in the case of permanent incapacity. 35

Board to determine  
as to worker's  
incapacity.

10. It shall be lawful for the Board in all cases to finally determine the question whether a worker's incapacity is temporary or permanent for the purposes aforesaid.

Board may award  
lump sum in lieu of  
weekly payment.

11. It shall be lawful for the Board to award in lieu of a weekly sum as compensation a lump sum which shall be equal to the present value, at *five* per centum compound interest, of the aggregate of the weekly payments which in the opinion of the Board would probably become payable to the worker during the period of his incapacity if compensation by way of a weekly payment were then awarded in lieu of a lump sum. 45

Compensation for  
injuries.

12. Notwithstanding anything herein contained as to the rate of compensation payable during any period of incapacity as aforesaid, whether temporary or permanent, compensation for the injuries mentioned in the first column of the Schedule hereto shall be assessed in the manner indicated in the second column of the said Schedule. 50

13. Where the death of a worker ensues as a result of any disease or of any personal injury of whatsoever nature or howsoever caused, whether in the course of his employment or otherwise, the amount of compensation payable shall be as follows:—

How payable in certain cases.

5 (a.) If the worker leaves any total dependants, the compensation shall be a sum equal to one hundred and fifty-six times his average weekly earnings, or the sum of two hundred pounds, whichever of these sums is the larger, but not exceeding in any case five hundred pounds.

10 (b.) If the worker does not leave any total dependants, but leaves any partial dependants, the compensation shall be a sum equal to three times the value of the benefits received by those dependants from the deceased worker during the twelve months immediately preceding the accident which caused his death, but not exceeding in the aggregate in any case the sum payable under the foregoing provisions.

15 (c.) If any child is born to a worker after his death, that child shall be deemed to be a dependant of the worker in the same manner as if born in its father's lifetime.

20 (d.) Whether the worker leaves dependants or not, there shall be payable, in addition to the compensation (if any) payable under the preceding paragraphs of this section, a sum equal to the reasonable expenses of his medical or surgical attendance, including first aid, and of his funeral.

25 (e.) In every case the amount of any weekly payments made under this Act to the worker in respect of the accident which caused his death, and any lump sum paid in lieu thereof, shall be deducted from the amount of compensation payable in respect of his death.

30 14. The Board shall have a discretionary power to direct the Public Trustee in the event of the death of a worker under such circumstances as are set forth in the *preceding* section, where such worker dies leaving a child or children, or a widow, with or without a child or children, to pay as compensation an annuity of twelve shillings per week to a widow so left, and four shillings per week to each child so left under the age of sixteen years, until such child attains the age of sixteen years, in lieu a lump sum as hereinbefore provided.

Board to have discretionary power as to payment of annuity.

35 40 15. Notwithstanding anything in this Act contained, no compensation shall be due and payable under the provisions of this Act in the event of the incapacity or death of a worker unless and until such worker has paid the contributions due and payable hereunder to the fund for a continuous period of not less than four weeks.

Four weeks' contributions to be paid before compensation payable.

45 50 16. For the purposes of this Act the term "average weekly earnings" means the average weekly earnings received by a worker while at work during the twelve months preceding the date of the commencement of his incapacity, if he has been so long employed by the same employer, or if not, then for any less period during which he has been in the employment of the same employer; but in calculating such average no account shall be taken of any period during which the said worker has been absent from work.

Interpretation of "average weekly earnings."

Provision as to casual workers.

17. With respect to casual workers, the following special provision shall apply:—

The worker's average weekly earnings shall be deemed to be not less than a full working-week's earnings at the ordinary (but not overtime) rate of pay for the work at which he was employed at the commencement of his incapacity, notwithstanding that he may not have actually worked or the employment may not have actually continued for the full week, and the compensation shall be computed and assessed accordingly; but in no case shall the weekly payment be less than one pound.

Act applies to New Zealand and to accidents on New Zealand ships.

18. (1.) This Act applies to all accidents happening in New Zealand; but does not apply to accidents happening elsewhere than in New Zealand, except in the cases hereinafter in this section mentioned.

(2.) This Act applies to accidents happening on board a New Zealand ship, as defined in this section, to any worker to whom this Act applies, wherever that ship may be at the time of the accident.

(3.) This Act applies to accidents which happen to a seaman employed on a New Zealand ship, as defined in this section, whether the accident happens in New Zealand or elsewhere, or on board the said ship or elsewhere.

Interpretation.

(4.) In this Act the term "New Zealand ship" means—

(a.) Any ship which is registered in New Zealand under the Shipping and Seamen Act, 1908:

(b.) Any ship which is owned by a body corporate established by the laws of New Zealand, or having its principal office or place of business in New Zealand, or any ship which is in the possession of any such body corporate by virtue of a charter:

(c.) Any ship which is owned by any person or body corporate whose chief office or place of business in respect of the management of that ship is in New Zealand, or any ship which is in the possession of any such person or body corporate by virtue of a charter:

(d.) Any ship which is owned by the Crown in respect of the Government of New Zealand, or which is in the possession of the Crown in that respect by virtue of a charter.

"Employer" includes the Crown.

19. (1.) The word "employer" shall include the Crown in respect of the Government of New Zealand in all cases where the Crown is an employer of labour, except as regards workers employed in the naval or military service of the Crown.

(2.) All proceedings against the Crown for or in respect of premiums required under this Act shall be taken in accordance with the procedure set forth in the Crown Suits Act, 1908, with any modifications of that procedure rendered necessary by the provisions of this Act or prescribed by regulations made under this Act; and, notwithstanding anything in the Crown Suits Act, 1908, all such proceedings shall be taken in the same Court as if the premium were payable by a private person.

(3.) Any sum payable by the Crown by way of premium under this Act may be paid by the authority of any Minister of the Crown,

and without further appropriation than this Act, out of moneys available for the contingent expenses of the Department in respect of which the claim arises; and, save as aforesaid, no such sum shall be payable except out of moneys appropriated by Parliament for that purpose.

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20. (1.) In any case where any person (hereinafter referred to as the principal) contracts with any other person (hereinafter referred to as the contractor) for the execution of any work by or under the contractor, and the contractor employs any worker therein, both the principal and the contractor shall, for the purposes of this Act, be deemed to be employers of the worker so employed, and shall be jointly and severally liable to pay any premium which the contractor, if he were the sole employer, would be liable to pay under this Act.

Principal and contractor deemed to be employers.

(2.) The principal shall be entitled to be indemnified by the contractor against the principal's liability under this section.

21. There shall be no abatement of the amount of compensation payable to a worker under this Act by reason of the fact that, in consequence of any accident in respect of which a claim may arise, money has accrued due to the said worker by reason of any policy of assurance having been taken out by himself or by any other person whomsoever.

No abatement of compensation by reason of policy of assurance being taken out.

22. No compensation shall be payable in respect of any accident which is attributable to the wilful misconduct of the worker injured or killed.

When no compensation payable in regard to accident.

23. No compensation shall be payable in respect of the death or incapacity of a worker if his death is caused, or if his incapacity is caused, continued, or aggravated, by an unreasonable refusal to submit to medical treatment or to any surgical treatment the risk of which is, in the opinion of the Board, inconsiderable in view of the seriousness of the injury or disease.

When no compensation payable in case of death.

24. (1.) In the case of the death of a worker from any disease or personal injury, compensation shall be paid to the representative or representatives of the deceased worker on behalf of those entitled as hereinbefore provided, and such representative or representatives shall be empowered to recover such compensation before any Court of competent jurisdiction.

When compensation payable to deceased's representatives.

(2.) If there is no such representative, compensation shall be paid to one or more of the deceased worker's dependants entitled under this Act for and on behalf of all who are so entitled.

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25. (1.) The Governor shall by Proclamation divide New Zealand into as many different districts for the purposes of this Act as he thinks fit, and may from time to time alter the number of such districts or modify their respective boundaries; and shall by similar Proclamation appoint a medical officer to each such district for the purpose of administering this Act; and upon the certificate of any one of these medical officers within the district of which he is so appointed, the benefits due and payable under this Act shall be payable; and the said medical officer shall alone be entitled and empowered to decide and determine whether a worker is or is not incapacitated within the meaning of this Act:

Districts to be proclaimed.

(2.) Provided that the Board shall at all times have power and authority to annul the certificate of any such medical officer as aforesaid, in which case such certificate shall be of no force and effect :

(3.) Provided also that where any such medical officer refuses, neglects, or omits to issue a certificate, or to certify that a worker is incapacitated within the meaning of this Act, the said worker (or in the event of his death) his representative or representatives, or (in default of his having any representative or representatives) one or more of his dependants, may appeal to the Board, which shall then finally decide and determine whether the benefits of this Act shall be due and payable in the particular case under review ; and there shall be no further right of appeal from the decision of the Board in any event.

Quarterly return of workers to be rendered by employer.

26. Every employer shall render to the Public Trustee a quarterly return in the form prescribed by the Regulations (which shall be verified by statutory declaration) showing the number of workers employed by him, and the salary or wages paid to each such worker ; and every such employer shall, in the event of any alteration taking place either as regards the number of workers employed by him or as regards the wages paid to them or any of them, notify the Public Trustee of such alteration within seven days from the date of such alteration taking place.

Regulations.

27. The Governor may from time to time, by Order in Council, make regulations for the following purposes :—

- (a.) Prescribing the mode of investment of moneys belonging to the fund ;
- (b.) Prescribing the manner in which the representatives of the employers and of the workers shall be elected to the Board ;
- (c.) Prescribing the powers, functions, and procedure of the Board with respect to the fund ;
- (d.) Prescribing the manner in which the premiums required to be paid shall be assessed ;
- (e.) Prescribing the manner in which the premiums required shall be collected, and the procedure to be adopted for enforcement of payment of same ;
- (f.) Prescribing the forms of returns to be made to the Public Trustee under this Act as hereinafter provided, and of the statutory declaration verifying the same ;
- (g.) Prescribing the form of the certificates to be issued by the medical officers ;
- (h.) Imposing a fine not exceeding *one* hundred pounds for any breach of the provisions of this Act or of any regulations made under the authority of the same ; and
- (i.) Prescribing generally whatever else he thinks necessary in order to give full force and effect to this Act.

Repeal.

28. The Workers' Compensation Act, 1908, and its amendments are hereby repealed.

## SCHEDULE.

Schedule.

Nature of Injury.	Ratio of Compensation to Full Compensation as for Total Incapacity.
Loss of both eyes ...	100 per cent.
Loss of both hands ...	
Loss of both feet ...	
Loss of a hand and a foot ...	
Total and incurable loss of mental powers involving inability to work	
Total and incurable paralysis of the limbs or of mental powers ...	
The total loss of the right arm, or of the greater part of the arm ...	80
The total loss of the left arm, or of the greater part of the arm ...	75
The total loss of the right hand, or of five fingers of the right hand, or of the lower part of the right arm	70
The total loss of the same for the left hand and arm ...	65
The total loss of a leg ...	75
The total loss of a foot, or the lower part of the leg ...	60
The total loss of the sight of one eye, together with the serious diminution of the sight of the other eye	75
The total loss of hearing ...	50
The total loss of the sight of one eye ...	30
The total loss of the thumb of the right hand ...	30
The total loss of the thumb of the left hand ...	25
The total loss of the forefinger of the right hand ...	20
The total loss of the forefinger of the left hand ...	15
The total loss of part of the thumb of the right hand ...	15
The total loss of the little finger of the hand ...	12
The total loss of the middle or ring finger of the hand ...	8
The total loss of a toe or of a joint of a finger ...	5
Complete deafness of one ear ...	10

For the purposes of this Schedule an eye, hand, or foot shall be deemed to be lost if it is rendered permanently and wholly useless.

Where a worker suffers by the same accident more than one of the injuries mentioned in this Schedule, he shall not in any case be entitled to receive more than full compensation as for total incapacity.