

## POST AND TELEGRAPH AMENDMENT BILL

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### EXPLANATORY NOTE

THIS Bill makes miscellaneous amendments to the Post and Telegraph Act 1928.

*Clause 2* authorises the issue of travellers' cheques by the Post Office. Regulations made under the principal Act will prescribe the necessary details with respect to the issue and use of travellers' cheques.

*Clause 3* amends the provisions of the principal Act relating to the calculation of interest on deposits. The effect of the amendment is that in future interest on money deposited during the first three days of any month will be allowed in respect of that month and money withdrawn on the last business day of any month will carry interest as if it had been withdrawn on the first day of the following month.

*Clause 4* reintroduces provisions permitting fixed deposits in the Post Office Savings Bank. The principal Act formerly contained similar provisions but these were repealed in 1940. The rate of interest payable on fixed deposits will be fixed from time to time by the Minister of Finance.

*Clause 5* provides for the establishment of Home Lay-by Accounts in the Post Office Savings Bank. A subsidy (to be known as a suspensory free deposit) of £5 for every complete £100 will be credited to each such account up to a limit of £50. Not more than £250 in each year will earn the subsidy but there is no limit to the amount which may be deposited. Where a withdrawal is made from a Lay-by Account for the purpose of building or purchasing a home, the suspensory free deposits for the time being accumulated will be paid to the depositor. A man and a woman may both open a Lay-by Account and both draw suspensory free deposits in respect of the same home if it is for their joint occupancy. A suspensory free deposit will not carry interest and will not be treated as income when it is paid. Except as otherwise provided by the clause, a Home Lay-by Account will be treated as an ordinary Post Office Savings Bank Account.

*Clause 6* rewrites, for the purpose of clarification, the provisions authorising the making of regulations relating to deposits in and withdrawals from the Post Office Savings Bank.

*Clause 7*, by amending the Reserve Bank of New Zealand Act 1933, ensures that the provisions of Part V of that Act (which relate to the obligations of trading banks as to the maintenance of deposits with the Reserve Bank and to the making of monthly returns) do not apply to the Post Office Savings Bank.

*Hon. Mr Shand*

## POST AND TELEGRAPH AMENDMENT

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### ANALYSIS

Title	4. Fixed deposits in Post Office Savings Bank
1. Short Title	5. Home Lay-by Accounts
2. Travellers' cheques	6. Regulations as to deposits and withdrawals
3. As to calculation of interest on deposits	7. Excluding Post Office Savings Bank from the provisions of Reserve Bank of New Zealand Act 1933

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### A BILL INTITULED

#### An Act to amend the Post and Telegraph Act 1928

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

1. **Short Title**—This Act may be cited as the Post and Telegraph Amendment Act 1956, and shall be read together with and deemed part of the Post and Telegraph Act 1928 (hereinafter referred to as the principal Act).

10 2. **Travellers' cheques**—(1) The principal Act is hereby amended by inserting, after section sixty-eight, the following section:

15 “68A. Subject to the provisions of this Act, money may be transmitted through the medium of the Post Office by means of travellers' cheques”.

(2) The principal Act is hereby amended by inserting, after the words "money orders" wherever those words occur in section sixty-nine, section seventy, or section seventy-one, the words "travellers' cheques".

(3) Section seventy-one of the principal Act is hereby amended by inserting in subsection two, after the words "money order", the words "travellers' cheque".

(4) Section seventy of the principal Act is hereby amended by inserting, after the words "money order", the words "travellers' cheque".

**3. As to calculation of interest on deposits**—Section eighty-three of the principal Act is hereby amended by repealing subsection one, and substituting the following subsection:

"(1) Interest shall in the case of each deposit be computed from the first day of the month next following the day on which a complete pound, either in one sum or in several sums of less amount, has been deposited, and, as to money withdrawn, shall cease on the first day of the month on which it is withdrawn:

"Provided that where any deposit is made on or before the third day of any month, interest for that month shall be computed and allowed in respect of that deposit:

"Provided also that where any money is withdrawn on the last day of any month on which the Post Office Savings Bank is open for business, interest shall be allowed as if the withdrawal had been made on the first day of the following month."

**4. Fixed deposits in Post Office Savings Bank**—The principal Act is hereby amended by inserting, after section eighty-four, the following section:

"84A. (1) In addition to the powers conferred by this Part of this Act the Postmaster-General may from time to time receive into the Post Office Savings Bank fixed deposits at such rate of interest as the Minister of Finance may from time to time determine by notice in the *Gazette*.

"(2) Subject to the provisions of subsection *three* of this section, any such deposit shall be lodged on the condition that it shall not be withdrawn within such period as may be agreed upon between the Postmaster-General and the depositor, being not less than one year.

“(3) The whole or any portion of any sum deposited by way of fixed deposit under this section may, in accordance with regulations under this Act, be withdrawn at any time before the expiration of the period for which the sum was so deposited:  
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“Provided that the rate of interest, if any, payable in respect of money withdrawn as aforesaid shall be such rate as the Minister of Finance may from time to time determine by notice in the *Gazette*, and in no such case shall the rate of  
10 interest exceed the rate payable in respect of ordinary deposits at the time when the withdrawal is made.

“(4) Interest payable in respect of a fixed deposit or portion of a fixed deposit in the Post Office Savings Bank shall be computed as from the date on which the deposit is made  
15 up to and including the date on which the repayment of the deposit or portion thereof is made.”

**5. Home Lay-by Accounts**—The principal Act is hereby amended by inserting, after section eighty-eight, the following section:

20 “88A. (1) Any person may open an account in the Post Office Savings Bank as a Home Lay-by Account.

“(2) Not more than one Home Lay-by Account shall be opened in the name of any one person.

25 “(3) Any amount may be deposited in a Home Lay-by Account and in respect of any such account the following provisions shall apply:

“(a) A subsidy (in this section referred to as a suspensory free deposit) of five pounds shall be credited to the  
30 account in respect of each complete hundred pounds in the account:

“(b) Where deposits in the account in any calendar year exceed two hundred and fifty pounds, no suspensory free deposit shall be credited in that year in respect of any amount deposited in excess of that sum:

35 “(c) Any amount in excess of two hundred and fifty pounds deposited in the account in any calendar year shall, for the purposes of this subsection, be carried forward, subject to paragraph (d) of this subsection, from year to year:

- “(d) The amount of any deposit, including any amount carried forward as aforesaid, in respect of which a suspensory free deposit shall be credited in any calendar year shall not exceed two hundred and fifty pounds: 5
- “(e) The total amount of suspensory free deposits credited to a Home Lay-by Account shall not exceed fifty pounds:
- “(f) If any amount is at any time withdrawn from a Home Lay-by Account otherwise than under subsection 10 *four* of this section, the amount standing to the credit of that account as suspensory free deposits shall be reduced so that not more than five pounds for every complete hundred pounds for the time being credited to the account shall be credited as 15 suspensory free deposits:
- “Provided that nothing in this paragraph shall be deemed to affect the right of any person to make a deposit in any year in which a withdrawal is made and to be credited with a suspensory free 20 deposit in respect of that deposit:
- “(g) Interest shall not be payable on suspensory free deposits and interest ordinarily payable on the amount in any Home Lay-by Account shall not be taken into consideration in calculating, for the pur- 25 poses of making a payment of suspensory free deposits under this section, the amount standing to the credit of a Home Lay-by Account.
- “(4) Where a depositor withdraws the money standing to his credit in a Home Lay-by Account and the Postmaster- 30 General or any person acting with the authority of the Postmaster-General is satisfied that the money so withdrawn is to be used by the depositor for the building or the purchase of a home which is to be occupied by him, the amount of suspensory free deposits credited to the depositor and payable 35 under this section shall be paid to him. In addition there shall be paid to the depositor a sum equal to one shilling for every pound in excess of the number of complete hundreds of pounds standing to the credit (excluding any amount credited as interest) of the account. If the amount withdrawn as afore- 40 said is less than one hundred pounds, there shall be paid to the depositor a sum equal to one shilling for each pound

standing to the credit (excluding any amount credited as interest) of the account. Any payment authorised by this subsection which is additional to a suspensory free deposit shall, for the purposes of this section, be deemed part of a suspensory free deposit.

5 “(5) No suspensory free deposit shall be paid under subsection *four* of this section in respect of a Home Lay-by Account which was opened less than two years before the date of withdrawal under that subsection nor shall any deposit  
10 made during the period of six months immediately preceding the date of any such withdrawal be taken into account when calculating the amount of suspensory free deposits payable under that subsection.

15 “(6) Where any person has made a withdrawal from a Home Lay-by Account for the purpose of purchasing land on which to build a house and a suspensory free deposit is payable under this section in respect of money withdrawn for the purpose of building a house on that land, the amount withdrawn for the purchase of the land shall, for the purpose of  
20 calculating the total amount of the suspensory free deposits payable, be included in the amount standing to the credit of the Home Lay-by Account.

“ (7) A man and a woman may each open a Home Lay-by Account and each receive payment of suspensory free deposits  
25 in accordance with this section if the Postmaster-General or any person acting with his authority is satisfied that any withdrawal by either is for the purpose of providing a home for their joint occupancy.

30 “(8) No suspensory free deposit shall be paid to any person on more than one occasion.

“(9) Any suspensory free deposit paid to any person under this section shall not be deemed to be income of that person.

35 “(10) The Minister of Finance may from time to time, without further appropriation than this section, pay from the Consolidated Fund to the Post Office Account any amount required for the payment of suspensory free deposits under this section.

40 “(11) Except as otherwise provided by this section, the provisions of this Act shall apply to Home Lay-by Accounts in all respects as they apply to ordinary deposit accounts in the Post Office Savings Bank.”

**6. Regulations as to deposits and withdrawals**—(1) Section ninety of the principal Act, as amended by subsection four of section seven of the Post and Telegraph Amendment Act 1933, is hereby further amended by repealing paragraphs (b) and (bb), and substituting the following paragraph: 5

“(b) Prescribing with respect to depositors’ accounts the mode of making deposits and withdrawing money, the places at which and the terms and conditions upon which deposits or any class of deposits may be received or repaid, and the notice, if any, required to be given in the case of withdrawal:” 10

(2) Section seven of the Post and Telegraph Amendment Act 1933 is hereby amended by repealing subsection four.

**7. Excluding Post Office Savings Bank from provisions of Reserve Bank of New Zealand Act 1933**—The Reserve Bank of New Zealand Act 1933 is hereby amended by adding to section forty-six the following subsection: 15

“(8) Nothing in this Part of this Act shall apply to the Post Office Savings Bank established under the Post and Telegraph Act 1928.” 20