

PUBLIC SERVICE CLASSIFICATION AND SUPERANNUATION AMENDMENT BILL.

MEMORANDUM.

PART I.

Public Service Superannuation.

UNDER the Public Service Classification and Superannuation Act, 1908, a contributor does not become entitled to a retiring-allowance until he (1) is sixty-five years of age, or (2) has served for forty years, or (3) becomes medically unfit for further duty. In the case of a female contributor the age-limit is fifty-five years, and the required period of service is thirty years. At the discretion of a Minister, a male contributor may be granted a retiring-allowance at sixty, and a female contributor at fifty. If a contributor retires from the service before becoming entitled to a retiring-allowance he is entitled to nothing except a refund of his contributions without interest.

It has been found that these provisions are the cause of some hardship in the case of certain classes of public servants, the nature of whose employment is such that they can scarcely hope to serve long enough to earn a pension. This applies more particularly to the Defence Forces, the regulations of that service requiring retirement before the age-limit fixed by the Superannuation Act.

To meet such cases it is proposed by this Bill (clauses 2 to 5) to give to all persons who are retired compulsorily (otherwise than for misconduct) after twenty years' service a right to receive, in addition to a refund of their contributions, a further sum by way of interest on those contributions.

Clause 6 provides that those members of the Public Service who have failed to take advantage of their right to join the fund shall cease to be entitled to become contributors thereto unless they so elect before the 31st March, 1910.

Clause 7 enables the Minister in charge of any Department to extend the benefits of the Act to a male contributor who retires at fifty-five years of age, if his service is not less than thirty years.

Clause 8 reduces the maximum retiring-allowance, except in certain cases, to £300 a year.

Clause 9 is intended to avoid certain difficulties which have been experienced in computing the proper deduction to be made from retiring-allowances when the contributor returns temporarily to the Government service.

Clause 10 allows an extension of the time limited for the making of payments on account of broken service. Under this clause contributors who desire to take advantage of the provisions of section 50 of the Public Service Classification and Superannuation Amendment Act, 1908, may make the necessary payment at any time before 10th October, 1910.

PART II.

Teachers' Superannuation.

Clauses 11, 12, and 13 make the same amendments to the scheme of Teachers' Superannuation as are made by clauses 7, 8, and 9 of the Bill in the case of the Public Service.

Clause 14 is a merely technical amendment.

PART III.

Railways Superannuation.

Clause 15 makes the same amendment in the case of Railways Superannuation as is made in the case of the Public Service by clause 10.

Clause 16 provides for the Railways Superannuation Fund an annual subsidy of £25,000.

PART IV.

Police Superannuation.

This Part of the Bill abolishes the Police Provident Fund, and merges it in the Public Service Superannuation Fund. All existing contributors to the former fund are transferred to the latter and become subject to the scheme of Public Service Superannuation.

Clause 25 preserves the right of a member of the Police Force who is injured in the execution of his duties to obtain, if the Board thinks fit, a larger retiring-allowance than would otherwise be payable.

Clause 26 increases the annual subsidy of the Public Service Superannuation Fund by £3,000, in view of the increased burden placed upon that fund by the inclusion of the Police Force as contributors.

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Right Hon. Sir J. G. Ward.

PUBLIC SERVICE CLASSIFICATION AND SUPERANNUATION AMENDMENT.

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TEACHERS' SUPERANNUATION.

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- 14. Section 25 of the Public Service Classification and Superannuation Amendment Act, 1908, amended.

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- 27. Increase of Government contribution to fund.

A BILL INTITULED

AN ACT to amend the Public Service Classification and Superannuation Act, 1908. Title

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 Public Service Classification and Superannuation Amendment Act, 1909, and it shall be read together with and deemed to be part of the Public Service Classification and Superannuation Act, 1908 (hereinafter referred to as the principal Act). Short Title.

PART I.

PUBLIC SERVICE SUPERANNUATION.

Payment to contributors retiring compulsorily before becoming entitled to a retiring allowance.

2. (1.) If before a contributor becomes entitled to a retiring allowance under the principal Act, but after his length of service exceeds twenty years, he compulsorily retires from the Public Service for any reason other than misconduct, he shall be entitled, in addition to the refund of contributions provided for by section forty-six of the Public Service Classification and Superannuation Amendment Act, 1908, to receive a further sum by way of interest computed in the same manner as if the contributions from time to time paid by him (after deducting all sums from time to time received by him from the fund) had been invested at interest at the rate of three and a half per centum per annum. 5 10

(2.) All such interest shall be computed as if all moneys paid into or out of the fund during any year had been so paid on the said thirty-first day of December in that year; but interest shall be allowed at the rate aforesaid for the broken period of the year in which the contributor retires. 15

(3.) Subject to the provisions of sections forty-nine and fifty of the Public Service Classification and Superannuation Amendment Act, 1908, relating to broken service, the term "length of service" as used in this section has the same meaning as in section thirty-five of the principal Act. 20

Retirement not deemed compulsory in certain cases.

3. No retirement of a contributor from the Public Service shall be deemed compulsory within the meaning of this Act merely because that contributor is deprived of the place or office held by him in that service, if at any time within three months before such deprivation he has been offered, and has failed or refused to accept, some other suitable place or office in the Public Service at a salary not less than that of the place or office so held by him. 25 30

Decision of Board to be final in all cases.

4. If any question, whether of law or of fact, arises as to whether the retirement of a contributor is compulsory within the meaning of this Act, or as to whether his retirement is due to misconduct, the question shall be determined by the Board and not otherwise, and the decision of the Board shall be final and conclusive. 35

Application of preceding sections.

5. The provisions of the *three* last preceding sections shall extend and apply to persons who have become contributors whether before or after the passing of this Act, and to all contributions paid by them whether before or after the passing of this Act.

Election under section 26 (2) of principal Act to be made not later than 31st March, 1910.

6. Notwithstanding anything in subsection two of section twenty-six of the principal Act, no person shall be entitled to elect, after the thirty-first day of March, nineteen hundred and ten, to become a contributor to the fund under the provisions of the said subsection. 40

Section 35 of the principal Act amended.

7. Section thirty-five of the principal Act is hereby amended by adding to the proviso in subsection one thereof the words "or to any case in which the age of a male contributor is not less than fifty-five years if his length of service is not less than thirty years: and in any of those cases the Minister may impose upon the retiring contributor such terms and conditions as to payments into the fund or otherwise as the Minister thinks fit." 45 50

8. Notwithstanding anything in section thirty-five of the principal Act, no person who becomes a contributor to the Public Service Superannuation Fund after the passing of this Act, and no person who is a contributor to that fund at the passing of this Act and whose annual salary at the date of the passing of this Act does not exceed *four* hundred pounds, shall be entitled on his retirement from the Public Service to a retiring-allowance exceeding *three* hundred pounds per annum.

Maximum retiring-allowance to be £300 per annum.

9. Section thirty-seven of the principal Act is hereby amended by omitting from subsection two thereof all the words after "shall be paid," and substituting therefor the words "in respect of any month than is equivalent, when added to the remuneration so received by him in that month, to one-twelfth of his annual salary at the date of his retirement."

Section 37 of the principal Act amended.

10. Section fifty of the Public Service Classification and Superannuation Amendment Act, 1908, is hereby amended, as from the date of the passing of that Act, by omitting from subsection two thereof the words "twelve months," and substituting therefor the words "two years."

Extension of time for making payments on account of broken service.

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PART II.

TEACHERS' SUPERANNUATION.

11. Section twelve of the Public Service Classification and Superannuation Amendment Act, 1908, is hereby amended by adding at the end thereof the words "or to any case in which the age of a male contributor is not less than fifty-five years if his length of service is not less than thirty years; and in any of those cases the Board may, with the like approval, impose upon the retiring contributor such terms and conditions as to payments into the fund or otherwise, as the Board thinks fit."

Section 12 of the Public Service Classification and Superannuation Amendment Act, 1908, amended.

12. Notwithstanding anything in section twelve of the Public Service Classification and Superannuation Amendment Act, 1908, or in section two hundred and thirty-three of the Education Act, 1908, no person who becomes a contributor to the Teachers' Superannuation Fund after the passing of this Act, and no person who is a contributor to that fund at the passing of this Act (whether under the provisions of Part I of the Public Service Classification and Superannuation Amendment Act, 1908, or under the provisions of Part IX of the Education Act, 1908) and whose annual salary at the date of the passing of this Act does not exceed *four* hundred pounds, shall be entitled on his retirement from the Education service to a retiring-allowance exceeding *three* hundred pounds per annum.

Maximum retiring-allowance to be £300 per annum.

13. Section fourteen of the Public Service Classification and Superannuation Amendment Act, 1908, is hereby amended by omitting from subsection two thereof all the words after "shall be paid," and substituting therefor the words "in respect of any month than is equivalent, when added to the remuneration so received by him in that month, to one-twelfth of his annual salary at the date of his retirement."

Section 14 of the Public Service Classification and Superannuation Amendment Act, 1908, amended.

Section 25 of the Public Service Classification and Superannuation Amendment Act, 1908, amended.

14. Section twenty-five of the Public Service Classification and Superannuation Amendment Act, 1908, is hereby amended by adding at the end thereof the following words "and all the powers, rights, and duties conferred or imposed by Part IX of the Education Act, 1908, upon the Teachers' Superannuation Board thereby established are hereby transferred (in respect of all such contributors) to the Board established by this Part of this Act."

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PART III.

GOVERNMENT RAILWAYS SUPERANNUATION.

Extension of time for making payments on account of broken service.

15. Section fifty-six of the Public Service Classification and Superannuation Amendment Act, 1908, is hereby amended as from the date of the passing of that Act by omitting from subsection two thereof the words "twelve months," and substituting therefor the words "two years."

Annual subsidy of £25,000 to be paid into the Government Railways Superannuation Fund.

16. In the month of January in every year after the passing of this Act the Minister of Finance shall, without further authority than this Act, pay the sum of twenty-five thousand pounds out of the Consolidated Fund into the Government Railways Superannuation Fund established by Part III of the Government Railways Act, 1908, and all sums so paid into that fund shall for all purposes form part of that fund and be dealt with accordingly.

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PART IV.

POLICE SUPERANNUATION.

Future members of the Police Force to become contributors to the Public Service Superannuation Fund.

17. Every person who, after the passing of this Act, becomes a member of the Police Force shall be a contributor to the Public Service Superannuation Fund, and shall be subject to the provisions of Part II of the principal Act accordingly.

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Miscellaneous amendments of principal Act.

18. The principal Act is hereby amended in manner following:—
- (a.) As to section eighteen thereof, by omitting the words " (b) So much of the Police Department as is included in Part II of the Police Force Act, 1908 " :
 - (b.) As to section twenty-two thereof, by omitting the word " ten " and substituting the word " eleven " ; and by inserting, after the words " Governor in Council," the words " One person to be elected by and from the contributors who belong to the Police Department " :
 - (c.) As to section twenty-three thereof, by inserting, after the words " Telegraph Department," the words " a separate ballot of the members of the Police Department " :
 - (d.) As to section fifty thereof, by omitting the words " the Police Provident Fund or."

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19. Part II of the Police Force Act, 1908, is hereby repealed.

Repeal.

20. (1.) The Police Provident Fund, established by Part II of the Police Force Act, 1908, is hereby merged in the Public Service Superannuation Fund, and all moneys belonging to the first-mentioned fund on the passing of this Act shall be transferred to the Public Service Superannuation Fund and shall form part thereof.

Merger of Police Provident Fund in Public Service Superannuation Fund.

(2.) All sums of money payable at the passing of this Act or thereafter becoming payable out of the Police Provident Fund under the provisions of Part II of the Police Force Act, 1908, shall be and become payable out of the Public Service Superannuation Fund.

21. The Police Provident Fund Board established under the Police Force Act, 1908, is hereby abolished, and all its powers, functions, and duties are hereby transferred to or imposed upon the Public Service Superannuation Board.

Abolition of Police Provident Fund Board, and transfer of powers.

22. (1.) Every person who is at the passing of this Act a contributor to the Police Provident Fund shall thereupon become and be a contributor to the Public Service Superannuation Fund, and subject accordingly to all the provisions of the principal Act.

Contributors to Police Provident Fund to become contributors to Public Service Superannuation Fund.

(2.) As to every person who becomes a contributor to the Public Service Superannuation Fund by virtue of this section the following provisions shall apply:—

(a.) He shall be deemed to be an original contributor to the said fund within the meaning and for the purposes of section thirty-five of the principal Act:

(b.) All contributions made by him to the Police Provident Fund before the passing of this Act shall be deemed to have been made by him to the Public Service Superannuation Fund on the respective dates on which they were made to the Police Provident Fund:

(c.) He shall contribute to the Public Service Superannuation Fund at the rate prescribed by the principal Act for the age to which he had attained at the date when his first contribution became payable to the Police Provident Fund on his becoming a contributor thereto.

23. A person who, at the passing of this Act, is a member of the Police Force but is not a contributor to the Police Provident Fund, shall not at any time hereafter be bound to become a contributor to the Public Service Superannuation Fund, whether he remains in the Police Force or is transferred to any other branch of the Public Service.

Members of Police Force not being contributors to Police Provident Fund, not bound to become members of Public Service Superannuation Fund.

24. Any person who before the passing of this Act has retired from the Police Force on a retiring-allowance as medically unfit for further duty shall be subject to the provisions of section thirty-seven of the principal Act in the same manner as if he had retired from the Public Service on a retiring-allowance under the principal Act.

Provisions where member of the Police Force who has been retired as medically unfit returns to duty after passing of this Act.

25. (1.) The first election of a member of the Public Service Superannuation Board by members of the Police Department shall take place on a day to be fixed by the Minister of Justice (not being later than three months after the passing of this Act), and all the provisions of section twenty-three of the principal Act shall, so far as applicable, apply to that election.

Election by Police Department of representative on Superannuation Board.

(2.) Until the election of a member of the Public Service Superannuation Board by the contributors belonging to the Police

Department, the members appointed or elected to the Board in accordance with the principal Act may exercise all the powers of the Board in the same manner as if it were fully constituted.

Board may increase retiring-allowance payable to member of Police Force injured in the execution of his duties.

26. In the case of any officer or constable of the Police Force who is a contributor to the Public Service Superannuation Fund, and who in consequence of injuries suffered by him in the execution of his duty retires from the Public Service as medically unfit for further duty under such circumstances that he is entitled to a retiring-allowance in accordance with section thirty-six of the principal Act, it shall be lawful for the Public Service Superannuation Board (notwithstanding anything in the principal Act or in this Act to the contrary), if it is of opinion that the said retiring-allowance is not sufficient, to increase the same at the time of his retirement or at any time thereafter to such annual amount as in the special circumstances of the case the Board thinks just, not exceeding three-fifths of his annual salary as computed in accordance with Part II of the principal Act. 5 10 15

Increase of Government contribution to fund.

27. The sum of twenty thousand pounds payable into the Public Service Superannuation Fund out of the Consolidated Fund in each year under section forty-nine of the principal Act is hereby increased to the sum of twenty-three thousand pounds, and that section is hereby amended accordingly by substituting the words "twenty-three" for the word "twenty." 20