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This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.

House of Representatives,

11th October, 1915.

[AS AMENDED BY THE LEGISLATIVE COUNCIL.]

Hon. Mr. Russell.

PUBLIC SERVICE CLASSIFICATION AND SUPERANNUATION AMENDMENT.

ANALYSIS.

<p>Title.</p> <p>1. Short Title.</p> <p>2. Contributions payable in first place to Post Office Account, and balance to be paid to Public Service Superannuation Fund Account. Repeal.</p> <p>3. How account to be operated on.</p>	<p>4. Public Trustee to transfer funds and appropriate securities for fund.</p> <p>5. Investment of fund.</p> <p>6. Constitution of Board modified.</p> <p>7. Exemptions from land-tax and income-tax.</p> <p>8. Audit of accounts.</p> <p>9. Report as to investment of fund.</p> <p>10. Section 50 of principal Act amended.</p>
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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. (1.) This Act may be cited as the Public Service Classification and Superannuation Amendment Act, 1915, and shall form part of and be read together with the Public Service Classification and Superannuation Act, 1908 (hereinafter referred to as the principal Act). Short Title.

New.

(2.) This Act shall come into operation on the first day of January, nineteen hundred and sixteen. Commencement.

2. (1.) All moneys payable to the fund (other than moneys payable thereto under section forty-nine of the principal Act as amended by section eight of the Public Service Classification and Superannuation Amendment Act, 1912) shall be paid in the first place into the Post Office Account. Contributions payable in first place to Post Office Account, and balance to be paid to Public Service Superannuation Fund Account.

(2.) Out of the moneys so paid into the Post Office Account the Postmaster-General shall, as and when directed by the Board, pay all moneys properly payable out of the fund, and shall from time to time, on a date in each month to be prescribed by regulations in that behalf, pay into the bank at Wellington at which the Public Account is for the time being kept, to the credit of an account to be called "the Public Service Superannuation Fund Account," the balance of the moneys in the Post Office Account belonging to the fund, or so much thereof as the Board from time to time directs.

(3.) Section two of the Public Service Classification and Superannuation Amendment Act, 1911, is hereby repealed. Repeal.

How account to be operated on.

3. All moneys withdrawn from the Public Service Superannuation Fund Account shall be withdrawn only by cheque signed by a member of the Board and the Secretary, and countersigned by the Controller and Auditor-General or such Audit officer as may from time to time be authorized by him. 5

Public Trustee to transfer funds and appropriate securities for fund.

4. (1.) The Board may, by notice in writing under the hand of the Chairman, require the Public Trustee to transfer to the Public Service Superannuation Fund Account all moneys in the common fund belonging to the Public Service Superannuation Fund, or so much of those moneys as may for the time being be required by the Board for the purposes of this Act, and may in like manner require the Public Trustee to appropriate to the Board all securities relating to investments held by the Public Trustee on behalf of the said fund, and thereupon the Public Trustee shall, in such manner and at such times as may be mutually agreed on by the Board and the Public Trustee, transfer such moneys and appropriate such securities accordingly. 10 15

(2.) Where moneys belonging to the Public Service Superannuation Fund have (whether before or after the commencement of this Act) been invested by the Public Trustee but the investments have not been kept separate from other investments, the Board may agree with the Public Trustee to take over such securities as may be mutually agreed on, and those securities shall thereafter be deemed to be in respect of investments of moneys belonging to the Public Service Superannuation Fund, and all moneys thereafter payable by way of interest on or for the redemption of such securities, or otherwise in respect thereof, shall be paid into the fund. 20 25

(3.) The securities to be taken over as aforesaid shall be selected from all the common fund investments of the Public Trust Office, and the selection shall be so made that a due proportion of the investments at each separate rate of interest shall be so taken over. 30

(4.) In the event of any dispute between the Board and the Public Trustee in respect of any matter arising out of this section the matter shall be submitted to the Controller and Auditor-General, and his decision shall be final and conclusive. 35

Investment of fund.

5. (1.) Any part of the moneys for the time being in the Public Service Superannuation Fund Account may be invested by the Board in any of the following classes of security, namely:—

- (a.) In securities of the Government of New Zealand;
- (b.) In debentures issued by the local authority of any county, borough, road district, town district, river district, water-supply district, drainage district, or harbour district, under any law now or hereafter in force, and secured upon general or special rates, or partly by rates and partly in some other manner; 40 45
- (c.) In advances by way of first mortgage on the security of any real estate held in fee-simple in New Zealand, to an amount not exceeding three-fifths of the estimated value of such estate, according to a valuation approved by the Board; 45 50
- (d.) In deposits in any bank of issue in New Zealand, or in the Post Office Savings-bank; or

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(e.) In any other securities that may from time to time be authorized by the Governor in Council on the recommendation of the Board.

5 (2.) No loan on mortgage under this section shall exceed twenty thousand pounds, nor shall more than twenty thousand pounds be lent on mortgage to any one person or company.

(3.) All mortgages executed after the commencement of this Act in respect of the investment of moneys belonging to the fund shall be in the name of the Public Trustee on behalf of the Public Service
10 Superannuation Board.

(4.) With respect to the investment of the fund the following special provisions shall apply:—

(a.) Applications for loans on any authorized security shall be received and considered by the Board:

15 (b.) Before granting any application for a loan on the security of any real estate the Board shall require a special valuation of the property to be made, and for this purpose the Public Trustee shall, if so requested by the Board, forthwith cause a valuation to be made in the same manner as
20 valuations are made for the purpose of the investment on real security of capital moneys in the Public Trust Office, and submit such valuation to the Public Service Superannuation Board:

(c.) The Board shall thereupon further consider the application, and if it approves the same, either wholly or in part, shall request the Public Trustee to prepare all documents and do all other things necessary for securing the proposed loan, and the Public Trustee shall thereupon cause all such documents to be prepared and all such acts to be
25 done accordingly.

(5.) All loans advanced on any such securities shall be paid out of the fund in the manner prescribed by section *three* hereof, and all moneys received either by way of interest on or repayment of loans or otherwise in respect of such securities shall be received by the
30 Public Trustee and paid into the Public Service Superannuation Fund Account.

(6.) In respect of his services under this Act the Public Trustee shall be entitled to receive from the fund such amount as may be agreed on between the Public Trustee and the Board, not exceeding
40 a commission equal to two and a half per centum of all revenues received by the Public Trustee by way of interest on securities held by him in respect of the fund.

(7.) The Governor may from time to time by Order in Council make such regulations as he considers necessary for the purpose of
45 giving effect to the provisions of this section.

6. Section twenty-two of the principal Act is hereby amended by omitting the words "Four persons to be appointed and removable by the Governor in Council," and substituting the following:—

Constitution of Board modified.

"The Government Insurance Commissioner:

50 "The State Advances Superintendent:

"The Secretary of the Post and Telegraph Department:

"The Valuer-General."

*Public Service Classification and Superannuation
Amendment.*

**Exemptions from
land-tax and
income-tax.**

7. No land-tax or income-tax shall be payable by the Public Trustee in respect of any securities or other property held by him on behalf of the fund or in respect of income derived from such securities or property.

Audit of accounts.

8. For the purpose of the audit of accounts all moneys belonging to the Public Service Superannuation Fund shall be deemed to be public moneys within the meaning of the Public Revenues Act, 1910, and the Audit Office shall have the same duties and powers in respect thereof, and of every person dealing therewith, as it has in respect of public moneys and accounts and all persons dealing therewith.

**Report as to
investment of fund.**

9. The report of the Board under section forty-seven of the principal Act shall include a report as to the investment of the fund by the Board under this Act.

**Section 50 of
principal Act
amended.**

10. Section fifty of the principal Act is hereby amended by inserting, after the words "shall apply" in subsection two, the words "to fines payable by officers of the Post and Telegraph Department, or."