

SUPERANNUATION AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends the Superannuation Act 1947 so as to provide for increases in the retiring allowances of Government superannuitants where the allowances are based on a salary of less than £600 a year.

Clause 2 provides that the increases are to apply to all instalments payable on or after 1 October 1954, whatever the date of retirement.

Clause 3 provides that the portion of a retiring allowance that is provided as a Government subsidy is to be based on an annual salary of not less than £600. This means that the minimum subsidy is increased from £3 15s. to £5 for each year of service. In some cases this will increase the retiring allowance to more than the salary on retirement. Accordingly, to enable the increase to be effective in these cases, the existing provision that the whole retiring allowance must not exceed the salary on retirement is replaced by a provision that the subsidy is not to exceed the salary on retirement. The clause preserves the existing maximum of £300 for the subsidy.

Clause 4 provides that a retiring allowance is to be computed on the contributor's annual salary for the last three years of service, instead of the normal five years, where this would increase the portion of the retiring allowance provided by the contributor (as distinct from the subsidy) to an amount not exceeding £150. The clause also provides that, where a similar increase would result, a former contributor to the Government Railways Superannuation Fund is to have his portion of his allowance computed on the basis of his annual rate of pay, instead of his average salary for the last five years of service. The clause ensures that full effect will be given to the increases made by *clause 3* in these cases, notwithstanding that the total retiring allowance may be increased to more than £300, which is the limit prescribed under the existing law for the change to a three years basis.

Hon. Mr Fortune

SUPERANNUATION AMENDMENT

ANALYSIS

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| 1. Short Title.
2. Application of Act.
3. Increasing minimum subsidy on retiring allowances. | 4. Computation of retiring allowances on average salary for last three years of service, or on Railways contributor's annual pay, in certain cases. |
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A BILL INTITULED

AN ACT to amend the Superannuation Act 1947. **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 Superannuation Amendment Act 1954, and shall be read together with and deemed part of the Superannuation Act 1947 (hereinafter referred to as the principal Act). **Short Title.**
1947, No. 57

2. This Act shall come into force on the first day of October, nineteen hundred and fifty-four, and shall apply with respect to every instalment of retiring allowance payable on or after that date, whether the contributor has retired before or after that date or before or after the passing of this Act. **Application of Act.**

3. (1) Section thirty-one of the principal Act is hereby amended by repealing paragraph (b) of subsection one, and substituting the following paragraph: **Increasing minimum subsidy on retiring allowances.**

“(b) The annual amount of the retiring allowance payable under paragraph (a) of this subsection shall be increased by an amount equal thereto, but in no case shall the annual amount added under this paragraph be less than it would have been if the contributor's annual salary had been six hundred pounds, or be more than three hundred pounds:

“ Provided that in no case shall the annual amount added under this paragraph be more than the annual salary on the basis of which the contributor was contributing to the Fund at the date of his retirement.” 5

(2) Subsection two of section thirty-one of the principal Act is hereby repealed.

Computation of retiring allowances on average salary for last three years of service, or on Railways contributor's annual pay, in certain cases. 1953, No. 61

4. (1) Section thirty-three of the principal Act is hereby amended by repealing the second proviso to subsection one (as added by section four of the Superannuation Amendment Act 1953), and substituting the following provisoes: 10

“ Provided also that the retiring allowance shall be computed as if the words “ three years ” were substituted for the words “ five years ”, wherever they occur in the foregoing provisions of this subsection, in any case in which computation under this proviso would increase the annual amount of the retiring allowance payable under paragraph (a) of subsection one of section thirty-one of this Act to an amount not exceeding one hundred and fifty pounds: 15 20

“ Provided further that, where the contributor was a contributor to the Government Railways Superannuation Fund at any time before the commencement of this Act, his retiring allowance shall be computed on his annual rate of pay within the meaning of Part III of the Government Railways Act 1926, if computation under this proviso would increase the annual amount of the retiring allowance payable under paragraph (a) of subsection one of section thirty-one of this Act to an amount not exceeding one hundred and fifty pounds.” 25 30

See Reprint of Statutes, Vol. VII, p. 859

(2) Section four of the Superannuation Amendment Act 1953 is hereby consequentially repealed.