

SOCIAL SECURITY AMENDMENT BILL

EXPLANATORY NOTE

Clause 1 relates to the Short Title.

PART I

MONETARY BENEFITS

Clause 2 amends section 61B of the principal Act which, *inter alia*, empowers the Social Security Commission to apply to a Magistrate's Court for the variation of maintenance "consent" orders, and of maintenance agreements, made under the Domestic Proceedings Act 1968, where the person receiving maintenance is an applicant for or in receipt of a family maintenance allowance.

Under section 85 of the Domestic Proceedings Act, maintenance orders may be varied only if there has been a change of circumstances since the making of the order, and maintenance agreements may be varied only if there has been a change of circumstances or if at the date of the agreement its provisions were unfair or unreasonable.

The amendment makes it clear that the Court may vary "consent" orders and agreements, on the application of the Social Security Commission, notwithstanding the provisions of section 85 of the Domestic Proceedings Act.

However, the amendment also provides that before varying an order or agreement, the Court shall have regard to the same matters that it must take into account before making a maintenance order, e.g., the means of the husband.

In addition, the amendment makes it clear that any such variation must be made by a Court presided over by a Magistrate who has been appointed to exercise the domestic jurisdiction of the Court.

Clause 3 increases the rates of certain monetary benefits.

The rates of superannuation, age, widows', invalids', miners', orphans', sickness, unemployment, and related emergency benefits, are increased by 50c a week in respect of unmarried persons and, where applicable, \$1 a week in respect of married persons.

Mothers' allowances payable in conjunction with widows' benefits are increased by 50c a week in respect of the first or only dependent child.

Family maintenance allowances payable to unmarried persons in conjunction with age, invalids', sickness, unemployment, and emergency benefits are increased by 50c a week in respect of the first or only dependent child.

In addition, where a disabled person is in receipt of a social security benefit and a rehabilitation allowance, the maximum amount that may be received from all sources by the disabled person and his or her spouse (if any) is increased by 50c a week in respect of an unmarried person and \$1 a week in respect of a married person.

NOTE—The new Fifth, Tenth, and Twelfth Schedules to the principal Act set out in the Schedule to the Bill are unchanged. They are being re-enacted so that all of the Schedules will appear in one Act.

PART II

MEDICAL AND HOSPITAL BENEFITS AND OTHER RELATED BENEFITS

Clause 4 amends section 88 of the principal Act by repealing the definition of the term "specialist medical services" and substituting a new definition.

The new definition excludes certain services from the definition.

The services excluded are the same as the services at present excluded from the definition of the term "general medical services", i.e.—

- (a) Medical services afforded in relation to maternity benefits.
- (b) Medical services provided by a specialist to his dependants, his partner, or the dependants of his partner.
- (c) Medical services provided by a specialist under an agreement with a friendly society.
- (d) Such types of services as are for the time being declared not to be general medical services by regulations.
- (e) Such services as may by regulations be declared not to be specialist medical services.

Clause 5 amends section 94A of the principal Act, which relates to rural practice bonuses.

Many areas of New Zealand were declared to be rural areas by notice in the *Gazette* on 20 November 1969, and another area was declared to be a rural area on 4 December 1969.

Doubts have arisen as to the date on and after which rural practice bonuses became payable.

Section 94A does not empower the Minister to make any notices retrospective, but the section was deemed to have come into force on 1 October 1969.

The proposed amendment clarifies the situation by empowering the Minister of Health to amend and revoke notices, and to make them retrospective.

The amendment also validates the two notices already issued and provides that they shall both be deemed to have come into force on 1 October 1969.

Clause 6 amends section 97 of the principal Act, which relates to the specialist medical services benefit.

Under section 97, if a specialist provides specialist medical services to a person who has not been referred to him by another medical practitioner, the specialist medical benefit of \$5 or \$3.50 is not payable.

The amendment makes it clear that in such a case a benefit at the same rate as the general medical services benefit of 75c (\$1.50 for social security beneficiaries, etc.) is payable.

Clause 7 amends section 122 of the principal Act, which relates to termination of contracts between the Minister of Health and pharmacists, midwives, etc.

The amendment applies section 122 to contracts where the terms and conditions are fixed by regulations. At present it applies only to contracts where the terms and conditions are fixed by the Minister.

When the original section was enacted, all terms and conditions were fixed by the Minister. However, the terms and conditions of some types of contract are now fixed by regulations.

Clause 8 amends section 123 of the principal Act, which relates to regulations.

The amendment provides that regulations may be made declaring any specified services not to be specialist medical services. (See paragraph (e) of explanatory note to *clause 4*.)

Hon. Mr McKay

SOCIAL SECURITY AMENDMENT

ANALYSIS

Title	PART II
1. Short Title	MEDICAL AND HOSPITAL BENEFITS AND OTHER RELATED BENEFITS
	4. Interpretation
	5. Rural practice bonuses
	6. Specialist medical services
	7. Termination of contracts
	8. Regulations
	Schedule

PART I

MONETARY BENEFITS

2. Special provisions in respect of maintenance
3. Increasing rates of benefits

A BILL INTITULED

An Act to amend the Social Security Act 1964

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 Social Security Amendment Act 1970, and shall be read together with and deemed part of the Social Security Act 1964* (hereinafter referred to as the principal Act).

*1964, No. 136

Amendments: 1966, No. 85; 1967, No. 4; 1968, No. 44; 1969, No. 46

PART I

MONETARY BENEFITS

2. Special provisions in respect of maintenance—Section 61B of the principal Act (as inserted by section 4 (1) of the Social Security Act 1968) is hereby amended by repealing subsection (4), and substituting the following subsections: 5

“(4) Notwithstanding anything in the Domestic Proceedings Act 1968, if—

“(a) Any person is required to make periodical payments of sums of money towards the maintenance of any beneficiary or any child or children in the care of the beneficiary in accordance with a maintenance agreement that is for the time being registered under section 55 of that Act; or 10

“(b) The sums of money payable towards the maintenance of any beneficiary or any child or children in the care of the beneficiary in accordance with a maintenance order made under that Act have been consented or agreed to by both the beneficiary and the person liable to pay the money— 15

and the amount of the sums of money so payable is, in the opinion of the Commission, inadequate for the maintenance of the beneficiary or any child or children in the care of the beneficiary, the Commission may apply to the Magistrate’s Court in which the agreement was registered or which made the order, as the case may be, for a variation of the agreement or order; and, notwithstanding anything in section 85 of that Act, the Court may, after having regard to such of the matters set out in section 27, section 32, section 35, or section 36 of that Act as it considers relevant, vary the agreement or order. 20 25 30

“(5) Jurisdiction in respect of any proceedings under subsection (4) of this section shall be exercised by a Magistrate’s Court presided over by a Magistrate appointed under section 7 of the Domestic Proceedings Act 1968 to exercise the domestic jurisdiction of the Court.” 35

3. Increasing rates of benefits—(1) The principal Act is hereby further amended by repealing the First to Tenth, Twelfth, and Fourteenth Schedules (as substituted by section 7 (1) of the Social Security Amendment Act 1969) and the Fifteenth Schedule (as added by section 19 (3) of the Social 40

Security Amendment Act 1969), and substituting the First to Tenth, Twelfth, Fourteenth, and Fifteenth Schedules set out in the Schedule to this Act.

5 (2) Section 7 and subsection (3) of section 19 of the Social Security Amendment Act 1969 and the First and Second Schedules to that Act are hereby repealed.

(3) This section and the Schedule to this Act shall be deemed to have come into force on the 15th day of April 1970.

PART II

10 MEDICAL AND HOSPITAL BENEFITS AND OTHER RELATED BENEFITS

4. Interpretation—Subsection (1) of section 88 of the principal Act is hereby amended by repealing the definition of the term “specialist medical services”, and substituting the
15 following definition:

“‘Specialist medical services’ means medical services that involve the application of special skill and experience of a degree or kind that general medical practitioners as a class cannot reasonably be
20 expected to possess; but does not include services that are within any of the following classes:

“(a) Medical services afforded in relation to maternity benefits under this Part of this Act:

25 “(b) Medical services provided by any medical practitioner to his dependants or his partner or the dependants of his partner or to other persons from whom or in respect of whom he would not be entitled to recover any fees if neither this Act nor the Social Security Amendment Act 1941 had been
30 passed:

“(c) Medical services provided by any medical practitioner under any agreement made by him with a friendly society or branch registered under the Friendly Societies Act 1909:

35 “(d) Such types of services as are for the time being declared not to be general medical services by regulations made under section 123 of this Act:

40 “(e) Such services as may, by regulations made pursuant to section 123 of this Act, be declared not to be specialist medical services for the purposes of this Part of this Act, either absolutely or in special circumstances to be defined in the regulations.”

5. Rural practice bonuses—(1) Section 94A of the principal Act (as inserted by section 12 of the Social Security Act 1969) is hereby amended by adding to subsection (1) the words “Any such notice may at any time in a like manner be revoked in whole or in part or amended.” 5

(2) The said section 94A (as so inserted) is hereby further amended by inserting, after subsection (1), the following subsection:

“(1A) Every such notice shall come into force on the date specified in that behalf in the notice (which may be a date before or after or the same as the date on which the notice is gazetted) or, where no date is specified, on the date on which the notice is gazetted.” 10

(3) The said section 94A (as so inserted) is hereby further amended by adding to subsection (3) the words “, and may at any time determine that the said subsection (2) shall no longer apply to any medical practitioner to whom it has been so applied. Every decision of the Minister under this subsection shall take effect on such date as the Minister determines, which may be a date before or after or the same as the date on which the decision is made.” 15 20

(4) The said section 94A (as so inserted) is hereby further amended by adding the following subsections:

“(4) Where any area has been declared to be a rural area, or where the Minister has under subsection (3) of this section applied subsection (2) of this section to any medical practitioner, the said subsection (2) shall apply only in respect of general medical services provided on and after the date on which the area became a rural area, or the date on which the application of the said subsection (2) took effect, as the case may require. 25 30

“(5) Where any area has ceased to be a rural area, or where the Minister has determined under subsection (3) of this section that subsection (2) of this section shall no longer apply to any medical practitioner, the said subsection (2) shall apply in respect of general medical services provided before the date on which the area ceased to be a rural area, or the date on which the said subsection (2) ceased to apply to the medical practitioner, as the case may require, but not in respect of any general medical services provided on or after that date.” 35 40

(5) The Social Security (Rural Area) Notice 1969, and the Social Security (Rural Area) Notice 1969, Amendment No. 1, are hereby validated and declared to have been lawfully made, and shall both be deemed to have come into force on the 1st day of October 1969. 45

(6) This section shall be deemed to have come into force on the 1st day of October 1969.

6. Specialist medical services—(1) Section 97 of the principal Act (as substituted by section 14 of the Social Security Amendment Act 1969) is hereby amended by omitting from subsection (4) the words “the person by whom the fee in respect of those services is paid to the medical practitioner”, and substituting the words “or where any specialist provides any specialist medical services for such a person who has not been referred to him by another medical practitioner, the person by whom the fee in respect of those services is paid to the medical practitioner or specialist”.

(2) This section shall be deemed to have come into force on the 1st day of October 1969.

7. Termination of contracts—Section 122 of the principal Act is hereby amended by inserting in subsection (1), after the word “behalf”, the words “or fixed by any regulations for the time being in force under this Act,”.

8. Regulations—Section 123 of the principal Act is hereby amended by inserting in paragraph (h), after the words “general medical services”, the words “or not to be specialist medical services”.

SCHEDULE

Section 3 (1)

NEW FIRST TO TENTH, TWELFTH, FOURTEENTH, AND FIFTEENTH SCHEDULES TO THE PRINCIPAL ACT

(Effective on and after 15 April 1970)

“FIRST SCHEDULE

Section 15

RATES OF SUPERANNUATION BENEFITS

1. In every case \$650 a year.
2. The rate specified in clause 1 of this Schedule may, in the discretion of the Commission, be increased by \$65 a year in any case where the beneficiary is an unmarried person:

Provided that the Commission may refuse to increase any benefit under this clause in any case where, in the opinion of the Commission, the beneficiary is sharing household expenses with any other person.

SCHEDULE—*continued*

Sections 18, 19, 20 "SECOND SCHEDULE

RATES OF AGE BENEFITS

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| 1. (a) To any unmarried beneficiary | \$715 a year diminished by \$2 for every complete \$2 of the annual income of the beneficiary in excess of \$572 a year. |
| (b) To a married beneficiary whose wife or husband is granted an age benefit or invalid's benefit in her or his own right | \$650 a year, diminished by \$1 for every complete \$2 of the total annual income of the beneficiary and his or her spouse in excess of \$572 a year. |
| (c) To a married male beneficiary whose wife is not granted a benefit in her own right | \$650 a year, increased by \$650 a year in respect of his wife, the total rate to be diminished by \$2 for every complete \$2 of the total annual income of the beneficiary and his wife in excess of \$572 a year. |
| (d) To any other married beneficiary | \$650 a year, diminished by \$2 for every complete \$2 of the total annual income of the beneficiary, including the amount of any benefit under Part I of this Act (other than an increase of benefit under section 69) granted to the spouse of the beneficiary, in excess of \$1,222 a year: |

Provided that the rate specified in paragraph (a) of this clause may, in the discretion of the Commission, be reduced by an amount not exceeding \$65 a year in any case where the Commission is satisfied that the beneficiary is sharing household expenses with any other person:

Provided also that in computing for the purposes of this clause the income of any totally blind person the Commission shall take no account of the personal earnings of that person:

Provided further that in any case where a beneficiary is totally blind, the rate of the age benefit, together with any benefits and allowances payable to or in respect of the wife or husband of the beneficiary, shall not be less than the aggregate rate of the benefits and allowances that would have been payable to or in respect of the beneficiary and his or her spouse if the beneficiary had been eligible for an invalid's benefit.

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| 2. Special income exemption where application for age benefit deferred | \$13 a year in respect of each year of deferment. |
| 3. Additional age benefit for South African war veterans, in every case | \$52 a year. |

SCHEDULE—*continued*

“THIRD SCHEDULE

Sections 21, 24

RATES OF WIDOWS' BENEFITS

1. To a beneficiary without dependent children \$715 a year, diminished by \$2 for every complete \$2 of the annual income of the beneficiary in excess of \$572 a year.
2. To a beneficiary with one or more dependent children \$715 a year, increased, in the discretion of the Commission, by a mother's allowance not exceeding the appropriate rate specified in clause 3 of this Schedule, and diminished by \$2 for every complete \$2 of the annual income of the beneficiary in excess of \$780 a year.
3. Additional mother's allowance to a beneficiary—
 - (a) On account of first or only dependent child \$520 a year.
 - (b) On account of each additional dependent child after the first \$52 a year.
4. The rates specified in clauses 1 and 2 of this Schedule may, in the discretion of the Commission, be reduced by an amount not exceeding \$65 a year in any case where the Commission is satisfied that the beneficiary is sharing household expenses with any other person.

“FOURTH SCHEDULE

Section 29

MAXIMUM RATES OF ORPHANS' BENEFITS

- In every case \$377 a year, diminished by \$2 for every complete \$2 of the annual income of the orphan in excess of \$104 a year.

“FIFTH SCHEDULE

Section 34

RATES OF FAMILY BENEFITS

- In respect of each child \$1.50 a week.
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SCHEDULE—*continued*

Sections 42, 43

"SIXTH SCHEDULE

RATES OF INVALIDS' BENEFITS

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| 1. (a) To an unmarried beneficiary under the age of 20 years | \$611 a year, diminished by \$2 for every complete \$2 of the annual income of the beneficiary in excess of \$572 a year. |
| (b) To any other unmarried beneficiary | \$715 a year, diminished by \$2 for every complete \$2 of the annual income of the beneficiary in excess of \$572 a year. |
| (c) To a married beneficiary whose wife or husband is granted an age benefit or invalid's benefit in her or his own right | \$650 a year, diminished by \$1 for every complete \$2 of the total annual income of the beneficiary and his or her spouse in excess of \$572 a year. |
| (d) To a married male beneficiary whose wife is not granted a benefit in her own right | \$650 a year, increased by \$650 a year in respect of his wife, the total rate to be diminished by \$2 for every complete \$2 of the total annual income of the beneficiary and his wife in excess of \$572 a year. |
| (e) To any other married beneficiary | \$650 a year, diminished by \$2 for every complete \$2 of the total annual income of the beneficiary and the spouse of the beneficiary, including the amount of any benefit under Part I of this Act (other than an increase under section 69 of this Act) granted to the spouse of the beneficiary, in excess of \$1,222 a year: |

Provided that the rates specified in paragraphs (a) and (b) of this clause may, in the discretion of the Commission, be reduced by an amount not exceeding \$65 a year in any case where the Commission is satisfied that the beneficiary is sharing household expenses with any other person:

Provided also that in computing for the purposes of this clause the income of any totally blind person, the Commission shall take no account of the personal earnings of that person.

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| 2. Maximum amount from all sources where subsidy paid on earnings of blind invalid, in every case | \$1,534 a year, increased, in the discretion of the Commission, by \$65 a year where the beneficiary is an unmarried person. |
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SCHEDULE—*continued*

“SEVENTH SCHEDULE

Sections 49, 53

RATES OF MINERS' BENEFITS AND MINERS' WIDOWS' BENEFITS

1. (a) To a married miner \$650 a year, increased by \$650 a year in respect of his wife.
- (b) In any other case \$715 a year.
2. To a miner's widow \$650 a year.
3. The rates specified in paragraph (b) of clause 1 and clause 2 of this Schedule may, in the discretion of the Commission, be reduced by an amount not exceeding \$65 a year in any case where the Commission is satisfied that the beneficiary is sharing household expenses with any other person.

“EIGHTH SCHEDULE

Section 55

RATES OF SICKNESS BENEFITS

1. (a) To an unmarried beneficiary under the age of 20 years without dependants \$10.75 a week, diminished by 10c for every complete 10c of the weekly income of the beneficiary in excess of \$11 a week.
- (b) To any other unmarried beneficiary \$13.75 a week, diminished by 10c for every complete 10c of the weekly income of the beneficiary in excess of \$11 a week.
- (c) To a married male beneficiary \$12.50 a week, increased by \$12.50 a week in respect of his wife, the total rate to be diminished by 10c for every complete 10c of the total weekly income of the beneficiary and his wife in excess of \$11 a week.
- (d) To a married female beneficiary \$12.50 a week, diminished by 10c for every complete 10c of the total weekly income of the beneficiary and her husband (including the amount of any benefit under Part I of this Act received by the husband) in excess of \$23.50 a week:

Provided that the rates specified in paragraphs (a) and (b) of this clause may, in the discretion of the Commission, be reduced by an amount not exceeding \$1.25 a week in any case where the Commission is satisfied that the beneficiary is sharing household expenses with any other person.

2. Maximum increase in respect of a housekeeper \$11.25 a week.

SCHEDULE—*continued*

Section 59

"NINTH SCHEDULE

MAXIMUM RATES OF UNEMPLOYMENT BENEFITS

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| 1. (a) To an unmarried beneficiary under the age of 20 years without dependants | \$10.75 a week. |
| (b) To any other unmarried beneficiary | \$13.75 a week. |
| (c) To a married male beneficiary | \$12.50 a week, increased by \$12.50 a week in respect of his wife. |
| (d) To a married female beneficiary | \$12.50 a week: |

Provided that the rates specified in paragraphs (a) and (b) of this clause may, in the discretion of the Commission, be reduced by an amount not exceeding \$1.25 a week in any case where the Commission is satisfied that the beneficiary is sharing household expenses with any other person.

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| 2. Maximum increase in respect of a housekeeper | \$11.25 a week. |
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Section 66

"TENTH SCHEDULE

SPECIAL INCOME EXEMPTION IN RESPECT OF SICK BENEFITS FROM FRIENDLY OR LIKE SOCIETY (AGE, INVALIDS', WIDOWS', AND SICKNESS BENEFITS ONLY)

Maximum rate	\$2 a week in the case of a sickness benefit, and \$104 a year in any other case.
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Section 69

"TWELFTH SCHEDULE

MAXIMUM INCREASE IN RATE OF BENEFIT PAYABLE TO PARENT OF DECEASED MEMBER OF FORCES OR MERCANTILE MARINE

Maximum rate	\$1 a week.
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SCHEDULE—continued

“FOURTEENTH SCHEDULE

Section 61A

MAXIMUM RATES OF FAMILY MAINTENANCE ALLOWANCES

1. To any person receiving an emergency benefit payable otherwise than by weekly instalments, or an age or invalid's benefit—
 - (a) At the rate payable to an unmarried beneficiary—
 - (i) On account of first or only dependent child \$520 a year.
 - (ii) On account of each additional dependent child after the first \$52 a year.
 - (b) At the rate payable to a married beneficiary—
 - (i) On account of second dependent child \$39 a year.
 - (ii) On account of each additional dependent child after the second \$52 a year.
 2. To any person receiving an emergency benefit payable by weekly instalments, or a sickness or unemployment benefit—
 - (a) At the rate payable to an unmarried beneficiary—
 - (i) On account of first or only dependent child \$10 a week.
 - (ii) On account of each additional dependent child after the first \$1 a week.
 - (b) At the rate payable to a married beneficiary—
 - (i) On account of second dependent child 75c a week.
 - (ii) On account of each additional dependent child after the second \$1 a week.
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SCHEDULE—*continued*

Section 124 (4) "FIFTEENTH SCHEDULE

MAXIMUM RATES OF REHABILITATION ALLOWANCES

1. (a) To any unmarried disabled person under the age of 20 years, without dependants \$6 a week.
- (b) To any other disabled person \$8 a week.
2. If a disabled person is in receipt of a benefit under Part I of this Act or if his or her spouse (if any) is in receipt of such a benefit, the maximum amount that may be received by the disabled person and his or her spouse (if any) from all sources (including a rehabilitation allowance and any such benefit) shall not exceed—
 - (a) In the case of any unmarried disabled person under the age of 20 years, without dependants \$22.75 a week.
 - (b) In the case of any other unmarried disabled person \$24.75 a week.
 - (c) In the case of a married disabled person \$36 a week:

Provided that the amounts specified in this clause may be increased by the amount of any mother's allowance or family maintenance allowance being paid to the disabled person."