No 53

House of Representatives

Supplementary Order Paper

Tuesday, 17 December 2002

War Pensions Amendment Bill (No 2)

Proposed amendments

Hon George Hawkins, in Committee, to move the following amendments:

Clause 5

To omit *new section 74C(3)* (lines 9 to 36 on page 11), and substitute the following subsections:

"(3) Every Order in Council made under **subsection (2)** must adjust the annual rates of the veterans' pensions so that the weekly amount (before any abatement under **section 74D** but after the deduction of standard tax) payable to—

"(a) a married couple who are both qualified to receive a veteran's pension is not less than 65% or more than 72.5% of the average ordinary time weekly earnings (males and females combined) as determined by the last Quarterly Employment Survey of wages published by Statistics New Zealand before 1 March in each year (after the deduction of standard tax and the earner levy payable on those earnings):

"(b) a single person who has been granted a living alone payment is 65% of the weekly amount of the veteran's pension (before any abatement under **section 74D** but after the deduction of standard tax) payable to a married couple who are both qualified to receive a veteran's pension:

"(c) a single person who has not been granted a living alone payment is 60% of the weekly amount of the veteran's pension (before any abatement under **section 74D** but after the deduction of standard tax) payable to a married couple who are both qualified to receive a veteran's pension.

"(3A) Every Order in Council made under **subsection (2)** must adjust the annual rates of the veterans' pensions so that the rate of the veteran's pension specified in **clause 2(b) of Schedule 11** preserves its proportional relationship (before any abatement under **section 74D** or before any calculation is made under Income Test 3, as the case may be, but after the deduction of standard tax) to the rates specified in **clause 1** of that schedule.

To omit from *new section 74P(1)(b)* the words "more years," (line 8 on page 18), and substitute the words "more years".

To insert in *new section 74P(1)(c)(i)*, after the words "that date" (line 24 on page 18), the words "(subject to abatement under **section 74D** if that section applies to the person)".

New clause 5AA

To insert, after *clause 5* (after line 21 on page 21), the following clause:

5AA Rates of pensions and allowances may be increased by Order in Council

(1) The heading to section 75C of the principal Act is amended by inserting, after the word "**pensions**", the words "**, lump sum payments,**".

(2) Section 75C(1) of the principal Act is amended by inserting, after paragraph (a), the following paragraph:

"(ab) **clause 2(a) of Schedule 11** and **Schedule 12** by increasing the rate of any pension or lump sum payment set out in those provisions:".

(3) Section 75C(2) of the principal Act is amended by inserting, after the words "apply to pensions", the words ", lump sum payments,".

(4) Section 75C of the principal Act is amended by inserting, after subsection (2), the following subsection:

"(2A) The Order in Council must, for lump sum payments on death, state that it applies in respect of persons who die on or after the date that is specified in the Order in Council."

Schedule 2

To insert, after the item relating to section 80(1) of the Social Security Act 1964 (after line 20 on page 32), the following item:

Insert in section 85A(f), after the words "the Social Welfare (Transitional Provisions) Act 1990", the words "or **Part 6** of the War Pensions Act 1954".

Explanatory note

This Supplementary Order Paper proposes to—

- amend *new section 74C*, which relates to annual adjustments of rates of veterans' pensions in line with changes in the Consumer Price Index. The amendment—
    - clarifies that references in *new section 74C(3)* to the weekly amount of the veteran's pension payable are references to the weekly amount payable before any abatement under *new section 74D*; and
    - ensures that the weekly amount (before any abatement under *new section 74D* but after the deduction of tax) payable to a married couple who are both qualified to receive a pension is not less than 65% of the average ordinary time weekly earnings (males and females combined) as determined by Statistics New Zealand (after the deduction of tax and earner levies). This percentage has been increased from 60% to align *new section 74C* with an equivalent provision in the New Zealand Superannuation Act 2001. The rates of veterans' pensions set out in *new Schedule 11* are already consistent with this amendment; and
- clarify that the amount of veterans' pension payable to persons resident in specified Pacific countries is subject to abatement under *new section 74D* if that section applies to the person; and
- amend section 75C of the War Pensions Act 1954 (which relates to increasing rates of pensions and allowances by Order in Council) to refer to the rate of pensions payable under *clause 2(a) of new Schedule 11* and to the amount of lump sum payments payable on death set out in *new Schedule 12*. The equivalent of these pensions and payments under the Social Welfare (Transitional Provisions) Act 1990 are able to be increased by Order in Council under section 61H of the Social Security Act 1964; and
- insert a consequential amendment to section 85A of the Social Security Act 1964. The amendment clarifies that the overpayment of a sum paid under *new Part 6* is a debt due to the Crown.

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