

1892.  
NEW ZEALAND.

## PROPOSED CIVIL SERVICE PENSION AND INSURANCE SCHEME.

*Presented to both Houses of the General Assembly by Command of His Excellency.*

Government Insurance Office,  
Wellington, 21st May, 1892.

I. SINCE we discussed the Actuary's proposals regarding a combined pension and insurance scheme for the Civil Service, I have further considered the details, and am of opinion that, with some slight modifications, the scheme will carry out your wishes as finally decided upon.

II. I have arranged with the Crown Law Office the clauses necessary to give legal effect to the proposals, subject to the modifications agreed upon. They will be found appended, and may be briefly summarised as follows:—

- (a.) Officers appointed to the Civil Service under "The Civil Service Reform Act, 1886," or who may be appointed hereafter, to retire at 60, except in special cases to be approved by the Governor.
- (b.) Officers so appointed to effect policies in the Government Insurance Office providing for the payment of a sum of money at death *before* age 60, and in the event of survival an annuity to begin at that age. Amounts accumulated in the Public Trust Office to be transferred to this office, and provide for increased annuity under the combined policy. The Actuary's synopsis supplies the necessary table, the premiums not to exceed 5 per cent. deductions from salary, with a minimum of £5. Officers desiring to have whole-life policies (*i.e.*, policies payable at death whenever it may happen, premiums ceasing at age 60) to be allowed to pay extra premium necessary in addition to 5 per cent., by salary-deduction or in cash. Officers already appointed or who may hereafter be appointed (special cases), whose age is too great to enable them to make proper provision under the scheme, to be allowed to apply 5 per cent. deductions to policy most applicable to their cases, or to maintain the present arrangement in the Public Trust Office intact, and, if former alternative adopted, present accumulations (if any) in that office to be applied towards payment of premiums.
- (c.) Bonuses not to be surrendered for cash, but to be applied to carry on insurance beyond age 60, increase amount assured where whole life, or to increase annuity.
- (d.) Policies, including bonuses thereon, not to be negotiable, assignable, or attachable while holder in Service.
- (e.) If services of any officer dispensed with, compensation to be paid as follows:—
  1. If in Service prior to passing of "The Civil Service Reform Act, 1886," to be entitled to such compensation as he would have been entitled to if proposed Act had not been passed. Compensation may be withheld in the case of such an officer dismissed from Service, but Minister in charge of his department may, on recommendation of Civil Service Board, direct that whole compensation or any part thereof shall be paid to him, or to trustees for benefit of his wife and children.
  2. If appointed since—whether under "The Civil Service Reform Act, 1886," or under the proposed Act—to be entitled to surrender-value, unless he decides to continue policy, or to accumulations in Public Trust Office, as case may be, and, if permanently incapacitated through no fault of his own, to the payment of one month's salary for each year of service. Misconduct not to bar payment of surrender-value.

III. It will be observed that officers already paying 5 per cent. to the Public Trust Office, or who would be subject to such deduction if the law remained as at present, are not to be exempted if already insured in the Government office or elsewhere, as the new insurance with this office would be merely a variation of the present arrangement.

IV. It will also be observed that provision is made under the sections headed "Miscellaneous" for bringing under the operations of the scheme persons in the employ of the Government who are not provided for above.

V. The scheme will be thrown open to the general public by means of regulations framed under Acts relating to the Government Insurance Department.

The Hon. the Premier.

J. H. RICHARDSON,  
Government Insurance Commissioner.