



1944.

ANNO OCTAVO ET NONO
 GEORGII VI. REGIS.

No. 35.

ANALYSIS.

1. Short title, incorporation, and commencement.
2. Interpretation.
3. Power of executive to establish and control scheme.
4. Power of executive to enter into agreements with life assurance companies.
5. Application of scheme.
6. Association to bear certain costs.

AN ACT to provide for the Establishment of a Scheme of Subsidised Endowment Life Assurance for Employees of Municipalities, and for purposes incidental thereto. [14 December, 1944.]

A.D.
 1944

WHEREAS at the request of the executive committee of the Municipal Association of Tasmania a committee of council clerks made an investigation into, and submitted a report upon, the question of providing superannuation benefits for municipal employees: And whereas the said Association, at its annual conference in the present year, adopted the said report and empowered its executive committee to take such action as might be necessary to give effect to the recommendations contained in the said report, and it is desirable that the said Association be empowered to establish a scheme for that purpose:

PREAMBLE

Municipal Employees' Assurance.

A.D. 1944. — Be it therefore enacted by His Excellency the Governor of Tasmania, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows:—

Short title. **1**—(1) This Act may be cited as the *Municipal Employees' Assurance Act 1944*.

Incorporation and commencement. (2) This Act shall be incorporated with the *Municipal Association Act, 1916**, and shall come into operation on the first day of April, 1945.

Interpretation. **2** In this Act, unless the contrary intention appears—

“employee” means any person employed in a permanent position in the service of any municipality, but does not include any person whose employment is of a temporary or casual nature;

“the Association” means the Municipal Association of Tasmania;

“the executive” means the executive committee of the Association;

“the report” means the report of the committee of council clerks adopted by the Association, a copy of which is set forth in the schedule;

“the scheme” means the scheme of subsidised endowment assurance to be established under this Act.

Power of executive to establish and control scheme.

3—(1) The executive may make such rules as it considers necessary for the establishment, control, management, and application of a scheme of subsidised endowment assurance, in pursuance of the report, with such modifications in detail, if any, as the executive may think desirable.

(2) Such rules may prescribe the manner in which, and the conditions under which, policies of assurance shall be effected, held, applied, and dealt with, and the conditions affecting any employee who ceases to be an employee before reaching the age for retirement.

(3) Except where otherwise expressly provided, all rules made in pursuance of this section shall, upon being published in the *Gazette*, be binding on the council and corporation of every municipality, and upon every employee thereof.

Power of executive to enter into agreements with life assurance companies.

4—(1) The executive may, in the name, on behalf, and under the common seal, of the Association enter into an agreement with such company registered under the *Life Assurance Companies Act 1874*† as the executive may think fit for the provision of assurance in accordance with the scheme.

* 7 Geo. V. No. 14, as amended by 24 Geo. V. No. 14 and by Statute Law Revision. (See Reprint of Statutes, Vol. V., p. 224.)

† 38 Vict. No. 6. (For this Act as amended see Reprint of Statutes, Vol. IV., p. 774.)

Municipal Employees' Assurance.

(2) An agreement under this section shall contain a covenant— A.D. 1944.

- (a) by the company, that the company will undertake and carry out the provision of the whole of the subsidised assurance in accordance with the scheme and at the rates and on the terms therein set forth;
- (b) by the executive, for and on behalf of the Association, that every municipality and the council and corporation thereof will do, perform, and observe all acts, matters, and things which are prescribed to be done, performed, and observed by them respectively; and
- (c) by the executive, if desired by the company, that no alteration of the rules in any respect therein specified shall be made during the continuance of the agreement without the approval in writing of the company,

and shall be binding upon the council and corporation of every municipality as if the council and corporation had been named therein as a party thereto.

5—(1) Except as provided in subsection (2), every employee shall contribute as prescribed to, and participate in the benefits of, the scheme. Application of scheme.

(2) Any employee who is, at the commencement of this Act, employed in the service of any municipality may, by notice in writing lodged with the council clerk of the municipality within one month after the commencement of this Act, or within one month after his return to duty if he is on service with any of His Majesty's naval, military, or air forces, elect not to participate in the scheme, and thereupon he shall be exempt from any obligation under this Act and shall not enjoy any benefit thereunder.

(3) An employee who has been exempted in accordance with subsection (2) may at any time thereafter apply to the council by which he is employed for permission to participate in the scheme, and the council may grant or withhold such permission, or may impose such conditions as the circumstances may require, and subject thereto the employee may participate in the scheme from the date the permission is granted and shall thereupon be bound by this Act accordingly.

(4) Any person who is aggrieved by the decision of the council by which he is employed—

- (a) to refuse to permit him to participate in the scheme on the ground that he is not an employee within the meaning of this Act; or

(b) upon his application under subsection (3), may appeal therefrom, as prescribed, to the executive, and the executive, after such enquiry as it thinks sufficient, may reverse, vary, or confirm the decision of the council.

(5) The decision of the executive upon any appeal under subsection (4) shall be final and without appeal.

Municipal Employees' Assurance.

A.D. 1944.

Association
to bear
certain costs.

6 The executive shall pay out of the funds of the Association the cost of—

- (a) the investigation of the scheme by the committee of council clerks and of the preparation and presentation of the report, to such amount as the executive may determine to be reasonable;
- (b) obtaining from an actuary or public accountant a report on the scheme and on any agreement for giving effect thereto;
- (c) the preparation and presentation of this Act and any matters incidental thereto;
- (d) the preparation and printing of any rules made under this Act; and
- (e) the administration and management of any welfare fund established in pursuance of the report.

THE SCHEDULE.

REPORT OF COMMITTEE ON PROPOSED SUPERANNUATION
FUND FOR MUNICIPAL EMPLOYEES.

The President,
Municipal Association of Tasmania,
HOBART.

Dear Mr. President,

As directed by the Executive Committee of the Association, the Committee of Council Clerks has investigated the matter of Superannuation Provision for Municipal Employees, and now desires to recommend as follows:—

- (1) That such provision be established at the earliest possible date, and commencing from 1st July, 1944, is practicable.
- (2) That it take the form of Endowment Life Assurance subsidised by Municipal Councils providing for payment of a lump sum on retirement or prior death with the usual options and surrender benefits.
- (3) That the assurance be based on a contribution by the employee of 5 per cent of salary or wages, together with a contribution by the council of 5 per cent plus (in respect of present salary or wage of initial entrants) $\frac{1}{4}$ of £1 per cent for each complete year of past service over 10 years, as at the inception of the scheme. Deductions from salary or wages shall be made each pay day and paid to the assuring company, together with the council's contribution at such intervals as may be arranged.
- (4) That in calculating "past service" the period of service with all councils be included where an employee has been employed by more than one council.
- (5) That the assurance policies effected mature as follows:—
Male employees under 50 years of age at entry—65th birthday.
Male employees over 50 years of age at entry—70th birthday.
Female employees under age of 40 at entry—55th birthday.
Female employees over age of 40 at entry—60th birthday.
- (6) That inclusion in the assurance be optional with all present employees but compulsory for all future employees. This may require authorising legislation.

Municipal Employees' Assurance.

- (7) That a welfare fund be established from the collecting commission allowed by the assurance company, such fund to be controlled by the Municipal Association Executive. A.D. 1944.
- (8) That at its inception the assurance shall include all clerical staff, inspectors, engineers, and hospital staff, and in addition such other employees as any council may agree to include by mutual arrangement.

A statement is attached hereto showing the approximate cost to each council in respect of clerical staff, inspectors, engineers, and hospital staff, at present employed by 41 of the 47 municipal councils. Particulars are not available in respect of the remaining six.

A definite plan was prepared and submitted to six leading Life Assurance Offices, which were invited to quote for the business. Quotations have been received from each of these, and if it is decided to provide the proposed superannuation on the basis above recommended, it is recommended that these quotations be submitted to an independent actuary or Public Accountant for report.

Yours faithfully,

(Sgd.) C. HENRY, Council Clerk.

(Sgd.) A. R. QUINN, Council Clerk,

(Sgd.) G. M. MORTYN, Council Clerk.

Hobart, 30th May, 1944.

