

Hon. Mark Brown

[Placeholder for Crest]

Cook Islands National Superannuation Amendment Bill 2017

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An Act to amend the Cook Islands National Superannuation Act 2000 to—

- (a) provide for additional members of the National Superannuation Board to be appointed for their relevant skills; and**
- (b) facilitate the transfer of member contributions to a suitable fund or scheme in another jurisdiction.**

The Parliament of the Cook Islands enacts as follows—

1 Title

This Act is the Cook Islands National Superannuation Amendment Act 2017.

2 Commencement

This Act comes into force on 1 July 2017.

3 Principal Act amended

This Act amends the Cook Islands National Superannuation Act 2000.

4 Section 4 amended

(1) Section 4 is amended by repealing subsection (2) and substituting the following subsection—

“(2) The Board comprises the following members appointed by the Queen’s Representative—

“(a) 1 member nominated by, and to represent, the Cook Island Workers Association Inc.:

“(b) 1 member nominated by, and to represent, the Cook Islands Chamber of Commerce Inc.:

- “(c) 1 member to represent private sector employers who are not members of the Cook Islands Chamber of Commerce Inc.;
 - “(d) 1 member nominated by, and to represent, contributors;
 - “(e) any additional members that are—
 - “(i) recommended by the Board for appointment in order to ensure that the Board’s membership has an appropriate mix of financial, legal, operational, and communication skills; and
 - “(ii) approved by the Queen’s Representative.”
- (2) Section 4(3) is amended by omitting the words “other than the Financial Secretary”.
- (3) Section 4(7) is amended by omitting the words “(other than the Financial Secretary)”.
- (4) Section 4(8) is repealed.

5 Section 53 amended

Section 53 is amended by repealing subsections (2) and (3).

6 New sections 53A to 53C inserted

The following sections are inserted after section 53—

“53A Definitions of terms in sections 53B and 53C

In sections 53B and 53C,—

approved scheme means a scheme approved by the Board under section 53C

contract worker means a person—

“(a) who has been resident in the Cook Islands for the sole purpose of being employed under a contract of service of not more than 3 years; and

“(b) all of whose employee contributions for the time being to his or her credit were made in respect of earnings paid under that contract of service

transfer value means the value of a person’s contributions plus any interest credited to the person’s account in the Fund.

“53B Contributor who permanently depart from Cook Islands

“(1) Any contributor who permanently departs from the Cook Islands to move to another jurisdiction may elect to transfer the transfer value of his or her contributions to an approved scheme in that jurisdiction.

“(2) A contributor may not make any election under this section until at least 6 months after his or her departure from the Cook Islands.

“(3) A contributor may elect to receive the transfer value of his or her contributions in cash if the contributor—

“(a) was a contract worker immediately before departing from the Cook Islands; or

“(b) moves to a jurisdiction in which, during the 5 years following his or her permanent departure from the Cook Islands, there is no approved scheme.

“(4) The Board may determine, for the purposes of this section, whether and when a person departed permanently from the Cook Islands.

“(5) If a person makes an election under this section, the Board must transfer the transfer value of the person’s contributions in accordance with the election; and when the transfer is completed, the account is closed.

“53C Board to approve schemes in other jurisdictions

“(1) The Board must identify schemes operating in jurisdictions outside the Cook Islands that are approved schemes for the purposes of section 53B.

“(2) The Board may approve a scheme if it is satisfied that—

“(a) the scheme is a scheme or fund that is established and operated for purposes broadly similar to those for which the Fund is established and operated; and

“(b) a person who contributes to the scheme is likely to receive benefits from the scheme that are broadly equivalent to the benefits the person would receive from the Fund.

“(3) The Board must maintain a list, which must be publicly available, of approved schemes, and may amend the list at any time as it sees fit.

“(4) Regulations made under this Act may—

“(a) prescribe the manner in which elections and transfers under section 53B are managed; and

“(b) set out criteria, consistent with subsection (2), on which the Board approves a scheme.”

7 Transitional provision relating to Financial Secretary’s Board membership

After this Act comes into force, the Financial Secretary appointed to the Board under section 4(2)(a) of the principal Act (as it was before its amendment by this Act) remains a member of the Board until at least 1 person is appointed by the Queen’s Representative under section 4(2)(e) (as substituted by this Act).

This Act is administered by the Cook Islands National Superannuation Fund.

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