

[2016] NZSSAA 58

Reference No. SSA 060/15

**IN THE MATTER**

of the Social Security Act 1964

**AND**

**IN THE MATTER**

of an appeal by **XXXX** of Napier  
against a decision of a Benefits  
Review Committee

**BEFORE THE SOCIAL SECURITY APPEAL AUTHORITY**

Ms M Wallace - Chairperson  
Mr K Williams - Member  
Lady Tureiti Moxon - Member

**DECISION ON THE PAPERS**

**Introduction**

[1] The appellant appeals against a decision of the Chief Executive upheld by a Benefits Review Committee to deduct the amount of payments received by the appellant from the Singapore Central Provident Fund from her entitlement to New Zealand Superannuation.

**Background**

[2] The appellant was born in Singapore. She emigrated to New Zealand on **XXXX**. We note that submissions from the appellant suggest she was also living in Singapore in 1999.

[3] She was granted New Zealand Superannuation from 16 October 2014. A decision was made on 30 October 2014 that the payments she receives from the Singapore Central Provident Fund (CPF) of \$1,475 per quarter (\$500 per month) would be deducted from her entitlement to New Zealand Superannuation commencing on 18 November 2014.

[4] The appellant sought a review of this decision. The matter was reviewed internally and by a Benefits Review Committee. The Benefits Review Committee upheld the decision of the Chief Executive. The appellant then appealed to this Authority.

[5] In summary, the appellant submits that:

- (i) The funds held to her credit at the CPF are savings accumulated from her contributions and remitted to her according to the rules of the CPF.
- (ii) At various times the appellant was self-employed with earnings of less than S\$500 per month (\$6,000 per annum). Contributions made during these periods should be regarded as voluntary.
- (iii) Some of the funds in the appellant's retirement account with the CPF constitute the balance of the proceeds of sale of a flat.
- (iv) The term "periodic allowance" does not cover the money the appellant receives from the CPF.

## **Decision**

[6] Section 70 of the Social Security Act 1964 provides for benefits, pensions and periodical allowances received from overseas to be deducted from entitlement to New Zealand benefits in certain circumstances. The essential elements of s 70 are that where:

- a benefit or pension or periodical allowance granted overseas, which forms part of a programme providing benefits, pensions or periodical allowance, is paid to the recipient of a benefit in New Zealand or that person's spouse, partner or dependent; and
- the programme provides for any of the contingencies for which benefits, pensions or periodical allowances may be paid under the Social Security Act 1964 or the New Zealand Superannuation and Retirement Income Act 2001 or the Veterans' Support Act 2014; and
- the programme is administered by or on behalf of the government of the country from which the benefit, pension or periodical allowance is received;

that payment must be deducted from the amount of any benefit payable under the Social Security Act 1964 or the New Zealand Superannuation and Retirement Income Act 2001 or the Veterans' Support Act 2014.

[7] The provisions of s 70(1) are very wide. It is not necessary, for example, for the overseas pension or benefit paid to be identical to one of the benefits paid in New Zealand. The comparison is not between individual types of pension but between programmes for income support payable for any of the contingencies covered in the New Zealand income support legislation.

[8] The New Zealand Government has determined that immigrants and New Zealanders who have worked overseas and who are entitled to payments from the government schemes of the overseas and countries they have worked in, should not receive the full amount of New Zealand Superannuation because they are able to rely on their overseas pensions to support themselves, either partly or fully, and should not be advantaged over New Zealanders who have spent all of their working lives in New Zealand.

*Singapore Government Programme for income support*

[9] The test contained in s 70 is whether or not the government of the overseas country has a programme which provides benefits, pensions and periodical allowances for any of the contingencies provided for in the New Zealand Government programme for income support contained in the Social Security Act 1964, the New Zealand Superannuation and Retirement Income Act 2001, and the Veterans' Support Act 2014.

[10] The New Zealand programme for income support provides for the contingencies of old age/retirement (New Zealand Superannuation), unemployment and temporary sickness (Jobseeker Support), long-term invalidity (Supported Living Payment), survivors (Orphan's Benefit and Supported Living Payment), disability, (Disability Allowance) and certain other circumstances.

[11] The inquiry in this case is, therefore, does the Singapore Government have a programme designed to provide income support for its citizens for any of these contingencies or circumstances. It is not necessary that the Singapore programme provide for all of the contingencies provided for in the New Zealand income support

programme. Provision for only one of the contingencies will suffice. Nor is it necessary to compare funding mechanisms or entitlements.<sup>1</sup>

[12] In Singapore the Government has established a fund called the Central Provident Fund. The governing statute is the Central Provident Fund Act. It provides a compulsory scheme for income support in certain circumstances, to which employees and certain self-employed persons are required by law to contribute.

[13] It is apparent from the Central Provident Fund legislation that the scheme contained in the Act makes provision for old age/retirement, disability and survivors. These are contingencies that are provided for in the New Zealand programme for income support. The scheme also makes some provision for medical care, the purchase of a home and education. These specific matters are not provided for in the New Zealand income support legislation but that is not significant to the inquiry as to whether a payment meets the criteria of s 70. Compulsory contributions are made by employers and employees and certain self-employed persons to the Central Provident Fund. The contributions are paid into four separate funds; namely, the ordinary account, the special account, the Medicare account, and (from age 55) a retirement account. The special account and retirement account particularly provide for the contingency of retirement/old age. At age 55 a person must transfer a minimum sum into the retirement account. It is from this account that periodic payments are made on the contributor attaining a particular age. The precise arrangements in relation to the minimum sum is provided for in regulations referred to as Central Provident Fund (New Minimum Sum) Scheme Regulations.

[14] The legislation and associated regulations provide for members to withdraw funds in certain circumstances, and on death an amount may pass to a nominated person. For example, funds may be withdrawn from the scheme to purchase a home. However, if the home is sold the funds withdrawn must be repaid to the Central Provident Fund.

[15] The way in which the programme for income support in Singapore provides for the contingencies of old age and disability has some distinct differences from the New Zealand scheme but, as previously outlined, we are not required to inquire into those differences. The essential element is that there is a programme for income support in

---

<sup>1</sup> See *Hogan v Chief Executive of the Department of Work and Income* (HC Wellington AP49/02, 26 August 2002); *Tetley-Jones v Chief Executive of the Department of Work and Income* (HC Auckland CIV-2004-485-1005, 3 December 2004).

Singapore which provides for one or more of the contingencies provided for in the New Zealand income support programme.

[16] That the Central Provident Fund is part of the Singapore Government programme for income support is amply demonstrated by statements on the CPF website<sup>2</sup> which state that:

The CPF is a mandatory social security saving scheme funded by contributions from employers and employees.

The CPF is a key pillar of Singapore's social security system and serves to meet our retirement, housing and healthcare needs.

*Administered by the Government of Singapore*

[17] The second test which must be satisfied before a payment of overseas pension is caught by the provisions of s 70 is that the benefit, pension or periodical allowance must be part of a programme administered by or on behalf of the Government of the country from which the benefit, pension or periodical allowance is received.

[18] The Central Provident Fund has been created by statute enacted by the Government of Singapore. The Fund is administered by a Board constituted under s 3 of the Act. The power of appointment to the Board lies with the Minister in concurrence with the President under Article 22A(1B) of the Constitution. The Board must prepare a budget each year for approval by the President under Article 22B of the Constitution.

[19] The Second Schedule of the Central Provident Fund Act provides for the accounts of the Board to be audited at least once a year by the Auditor General or such Auditor as may be appointed annually by the Minister in consultation with the Auditor General. The Minister also causes a copy of the financial statements to be published in *The Gazette* and presented to Parliament.

[20] Administration of the Central Provident Fund resides within the Ministry of Manpower which is a department of the Government of Singapore.

[21] We are in no doubt that the Central Provident Fund is administered by or on behalf of the Government of Singapore.

[22] On behalf of the appellant it is submitted that the periodic payments she receives represent remittances of her savings and they should not be regarded as either payments of pension or a periodical allowance.

---

<sup>2</sup> <http://www.cpf.gov.sg>.

[23] The contributions made by the appellant to the CPF are compulsory as a result of legislation enacted by the Singapore Government. The way in which the funds can be accessed or paid out is also controlled by the Singapore Government. A true private savings scheme would not have these restrictions.

[24] It is clear that the use of the words “benefit, pension or periodical allowance” in s 70 is intended to capture a wide variety of periodic payments that might be received from an overseas country from programmes for income support which meet the criteria of s 70.

[25] The payment at issue in this appeal is a payment the appellant is entitled to receive monthly, but she says she has elected to receive it quarterly. It is a periodical payment. The New Zealand Oxford Dictionary defines “allowance” as:

1. an amount or sum allowed to a person, esp. regularly for a stated purpose.

[26] The amount received by the appellant is paid periodically and is payable on the appellant attaining a particular age. It is intended by the Singapore Government primarily to replace income on retirement or old age. We are in no doubt the payment the appellant receives constitutes a periodical allowance.

[27] The New Zealand Oxford dictionary defines “pension” as:

1. a regular payment made by a government to people above a specified age, to widows or to the disabled.

The payments made to the appellant also readily fall within the commonly understood meaning of “pension”.

[28] The appellant also submits that the payments she receives are to some extent derived from voluntary contributions. Section 70 does not require a distinction to be made between voluntary and compulsory contributions but in practice the Chief Executive has a policy for deferring the deduction of payments derived from voluntary contributions. We note that the appellant has not provided any proof that the payments she receives are derived from voluntary contributions. It is open to the appellant to provide this proof to the Chief Executive should she wish to do so. We note, however, that she would have been required to repay any borrowing from the CPF for the purchase of her flat from the sale of her flat. This repayment could not constitute a voluntary contribution.

[29] We are satisfied that the periodical allowance or pension payments the appellant receives from the Central Provident Fund in Singapore are in the nature of a payment which forms part of a programme providing benefits, pensions or periodical allowances for the contingencies for which benefits, pensions or allowances are paid under the New Zealand income support legislation. We are satisfied that the programme is administered by or on behalf of the Government of Singapore. The appellant's entitlement to New Zealand Superannuation must therefore be reduced by the amount of the payments the appellant receives from the Singapore Central Provident Fund.

[30] We note in passing that the Ministry may wish to obtain confirmation of the payments the appellant is receiving from the Central Provident Fund rather than rely on the remittance advice received from the appellant.

[31] The appeal is dismissed.

**DATED** at WELLINGTON this 16 day of June 2016

---

Ms M Wallace  
Chairperson

---

Mr K Williams  
Member

---

Lady Tureiti Moxon  
Member

SSA 060-15 Fong(mew)