



Tonga

RETIREMENT FUND ACT 1998

Act 14 of 1998



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RETIREMENT FUND ACT 1998

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AN ACT TO PROVIDE FOR THE ESTABLISHMENT AND ADMINISTRATION OF THE RETIREMENT FUND AND RELATED MATTERS

I assent,
TAUFA'AHAU TUPOU IV,
29th October, 1998

[6th October, 1998]

BE IT ENACTED by the King and Legislative Assembly of Tonga in the Legislature of the Kingdom as follows:

1 Short title.

- (1) This Act may be cited as the Retirement Fund Act 1998.
- (2) This Act shall come into effect on 1 July 1999.

2 Interpretation.

In this Act, unless the contrary intention appears:

“**Account**” means the Retirement Fund Account;

“**Accumulation fund**” means a fund, some or all of the contributions to which are paid in respect of an individual Member;

“**Fund Board**” means the Retirement Fund Board established under the Retirement Fund Board Act 1998;

“**Fund**” means the Retirement Fund established under this Act;

“**Fund Year**” means the period commencing on 1 July 1999 and ending on 30 June 2000, and any subsequent period of twelve (12) months ending on a 30 June, or another period ending on another date as the Fund Board from time to time may determine;

“**Member**” means a person in the public service of the Government admitted as a member of the Fund.

3 Establishment of Retirement Fund.

The Retirement Fund is hereby constituted.

4 Purpose of Retirement Fund.

The Fund's purpose is to provide benefits in respect of a Member's retirement, ceasing service, death or total and permanent disablement as provided in Regulations under this Act.

5 Benefits.

The Fund is an accumulated fund and benefits are paid by way of lump sum.

6 Fund composition.

The Fund consists at any time of contributions paid by and in respect of Members, any other amounts that may be paid into it and investment earnings.

7 Fund Account.

- (1) The Fund Board shall establish and maintain the Account with the National Reserve Bank of Tonga (or other bank approved by the National Reserve Bank of Tonga) for the purpose of the Fund receiving, holding and paying monies.
- (2) Account signatories are such persons as may from time to time be authorised by the Fund Board for that purpose.
- (3) Appropriations from the Legislative Assembly for the purposes of paying salaries and allowances of Fund Board members and meeting expenditure incurred by the Fund Board in administering this Act and the Retirement Fund Board Act 1998 are payable into the Account.

8 Investing.

- (1) All Fund monies available for investment shall be invested in accordance with regulations made under this Act.
- (2) The Fund Board may expend from time to time such sums it considers necessary to protect any investment of Fund monies from loss or diminution in value.

9 Exemption from tax.

No tax, duty, levy or any other government impost is payable on Fund monies, including investment earnings.

10 Audited account.

- (1) Within two months after the end of each Fund Year or within such further time of not more than one month as the Prime Minister may approve, the Fund Board will have accounts prepared in such form and including such additional information, statements and reports as required by the Minister of Finance in respect of that year.
- (2) The Auditor General or another Auditor within six months of the fund year provide an audit of the accounts.
- (3) Within 10 days of completion of the audit the Minister of Finance shall cause the accounts to be tabled in the Legislative Assembly during its session otherwise on its first available sitting day.
- (4) The reports under sub-section (1) shall include a report by the Fund Board as to investment of the Fund.

11 Employer contribution.

The Minister of Finance shall pay into the Fund, without further appropriation than this Act, the employer contributions required by the regulations made under this Act.

12 Regulation.

His Majesty with the consent of the Privy Council may from time to time make regulations for the administration of the Fund.

Passed in the Legislative Assembly this 6th day of October, 1998.