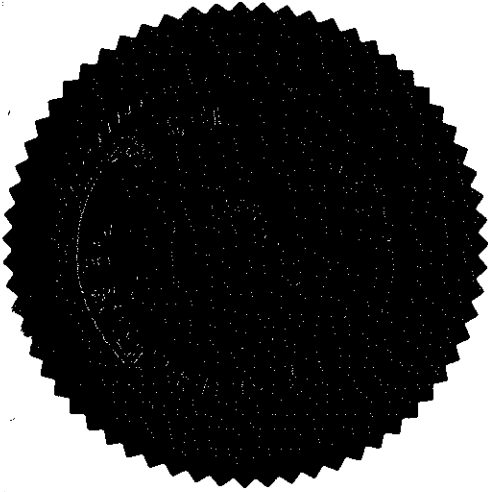


REPUBLIC OF KIRIBATI
(No 3 of 2007)



I assent,
Audo Tung
Beretitenti
22/08/2007

AN ACT TO AMEND THE *PROVIDENT FUND ORDINANCE* (CAP.78A).

Commencement:
2007

MADE by the Maneaba ni Maungatabu and assented to by the Beretitenti

1. Short title

This Act may be cited as the *Provident Fund (Amendment) Act 2007*.

2. Interpretation

In this Act, 'Ordinance' means the *Provident Fund Ordinance* (Cap.78A).

3. Amendment of section 2

Section 2 of the Ordinance is amended—

- (a) in the definition of 'member', by inserting at the end thereof the words ", and includes a person who contributes to the Fund voluntarily in accordance with section 16"; and
- (b) by repealing the definition of 'voluntary member'.

4. Amendment of section 13

Section 13 of the Ordinance is amended—

- (a) in subsection (3), by inserting at the end thereof the words "together with any sum contributed voluntarily by the employee under subsection (4)(b)"; and
- (b) by repealing subsection (4) and substituting the following subsection—
 - "(4) Without prejudice to subsections (1) and (2)—
 - (a) an employee may at any time contribute voluntarily to the Fund a sum additional to that provided for in subsection (1) as payable by the employer;

- (b) an employee who desires to have contributions in excess of the appropriate rate deducted from his or her wages by the employer may give to the employer written notice to that effect, and thereafter the employer shall make the deductions from the employee's wages, until such time as the employee gives further written notice to the employer of his or her desire to cease to have the excess contributions deducted, and the employer shall pay the amount of the excess deductions to the Fund in addition to the appropriate monthly contributions;
- (c) an employer may at any time pay to the Fund contributions in respect of any of his or her employees at a rate in excess of the rate set out in subsection (1):
Provided that notice of the payment of such additional contributions shall be given to the Board in the prescribed form."

5. Repeal and replacement of section 16

Section 16 of the Ordinance is repealed and the following section substituted—

"16. Voluntary contributions

- (1) Any person who—
 - (a) is a citizen of Kiribati; and
 - (b) is not an employee in respect of whom contributions are to be paid in accordance with section 13; and
 - (c) is aged not less than 18 years of age nor more than 50 years of age,
 may apply to the Board in such manner as may be prescribed to become a voluntary contributor to the Fund.
- (2) Upon acceptance by the Board of his or her application made under subsection (1), a voluntary contributor may pay contributions on his or her own behalf into the Fund.
- (3) The Minister, acting in accordance with the advice of the Cabinet tendered after consultation with the Board, may, by written notice published in the *Gazette*, fix the maximum sum that a voluntary contributor can contribute to the Fund in any contribution half-year."

6. Repeal of section 48

Section 48 of the Ordinance is repealed.

PROVIDENT FUND (AMENDMENT) BILL 2007

EXPLANATORY MEMORANDUM

This Bill seeks to amend the *Provident Fund Ordinance* (Cap.78A).

Clauses 1 and 2 address preliminary matters.

Clause 3 amends the definition of 'member' in section 2 of the Ordinance to make it clear that those who make voluntary contributions under section 16 are also considered members of the Provident Fund. The definition of 'voluntary member' is repealed as that expression is no longer used.

Clause 4 introduces amendments to section 13 to enable employees to voluntarily contribute to the Fund amounts in excess of the compulsory contribution. This may be done either on an *ad hoc* basis (under the new subsection (4)(a)) or through regular deductions from wages (subsection 4(b)). The new paragraph (c) of subsection (4) replicates the text of the original subsection (4), which has always allowed for employers to make voluntary additional contributions on behalf of their employees.

Clause 5 substitutes section 16 of the Ordinance to enable anyone who meets the criteria set out in subsection (1) to apply to become a voluntary contributor to the Fund. The present voluntary contribution provisions have been found to be too restrictive, particularly in excluding access by the self-employed and those who participate in the subsistence economy. It is considered that the opportunity to save for retirement should be open to as many people as possible. There will be provision to limit the amount that may be contributed under this section, should that be deemed necessary.

Clause 6 repeals section 48, which is rendered unnecessary by the amendment to the definition of 'member'.

Titabu Tabane
Attorney-General
April 2007

CERTIFICATE OF THE CLERK OF THE MANEABA NI MAUNGATABU

This printed impression has been carefully examined by me with the Bill which passed the Maneaba ni Maungatabu on 5 June 2007 and is found by me to be a true and correctly printed copy of the said Bill.



Ioataake Timeon
Clerk of the Maneaba ni Maungatabu

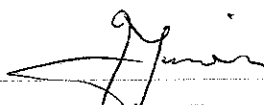
CERTIFICATE OF THE SPEAKER OF THE MANEABA NI MAUNGATABU

I certify that the above Bill was on 5 June 2007 passed by the Maneaba ni Maungatabu upon a Certificate of Urgency under section 68(3)(a) of the *Constitution*.



Hon. Etera Teangana
Speaker of the Maneaba ni Maungatabu

Published by exhibition at the Maneaba ni Maungatabu this 28th day
of August, 2007.



Ioataake Timeon
Clerk of the Maneaba ni Maungatabu