

THE REPUBLIC OF KIRIBATI
(No. 15 of 1996)

I assent,



Beretitenti
1996

An Act to amend the Provident Fund Ordinance (Cap. 78A)

Commencement:
1996

MADE by the Maneaba ni Maungatabu and Assented to by the Beretitenti.

Short Title

1. This Act may be cited as the Provident Fund (Amendment) Act 1996 and shall come into operation on 1 July 1996.

Repeal of section 9

2. Section 9 of the Provident Fund Ordinance (Cap. 78A), in this Act referred to as the "principal Ordinance" is hereby repealed.

Amendment of section 13

3. Section 13 of the principal Ordinance is amended in subsection (1) by repealing the figure "10" appearing in line 8 between the word "of" and "cents" and substituting the figure "12".

Repeal of section 17 as amended

4. Section 17 of the principal Ordinance as amended by the Provident Fund (Amendment) Act 1982 is repealed.

Repeal of section 27

5. Section 27 of the principal Ordinance is repealed.

This printed impression has been carefully examined by me with the Bill which passed the Maneaba ni Maungatabu on 18th June 1996 and is found by me to be a true and correctly printed copy of the said Bill.



Clerk to the Maneaba ni Maungatabu

I certify that the above Act was on 18th June 1996 passed by the Maneaba ni Maungatabu on a Certificate of Urgency under section 68(3)(a) of the Constitution



Speaker

Published by exhibition at the Maneaba ni Maungatabu this day of
1996



Clerk to the Maneaba ni Maungatabu

Provident Fund (Amendment) Act 1996

Explanatory Memorandum

1. The amendment seeks to increase the contribution of the employer to the Provident Fund from 10 cents of a dollar in the amount of the employee's wages, equivalent to ten percent to 12 cents which is equivalent to twelve percent. This is achieved by amending section 13(1). The increase in contribution rate will have a favourable impact to the Fund's financial position in relation to accumulation of funds, liquidity position and investment opportunities enabling declaration of better interest rate to members and at the same time maintaining a reasonable amount in the reserve account. Such increase will not affect the employer's entitlement to recover from the wages of the employee, by way of deduction, one-half of such contribution.
2. Contributing members to the Fund feel that the special death benefit is only benefitting the few through their surviving families. Those members who are able to take out their contributions either on medical ground, pre-retirement or upon attaining retirement age are the majority who make substantial contribution to the special death benefit but are not eligible. The answer to this is to scrap the special death benefit scheme by repealing sections 9, 17(4) as amended and section 27, and encourage members to take out life insurance policy with the Kiribati Insurance Corporation for an individual member's benefit.

Michael N Takabwebwe
The Attorney General
13 May 1996