

REPUBLIC OF KIRIBATI
(No. 4 of 2001)

I assent,

Beretitenti

27/6/2001

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

Commencement:
2001

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

Short title and commencement

- 1.(1) This Act may be cited as the Provident Fund (Amendment) Act No.4 2001.
- (2) This Act shall come into operation on 1 July 2001.

Amendment of section 13

2. Section 13 of the Provident Fund Ordinance (Cap. 78A) as amended by the Provident Fund (Amendment) Act 1996 (No 15 of 1996) is amended by repealing "12" and substituting "15".

Insertion of new Part VIB

3. Part VIA of the Provident Fund Ordinance (Cap. 78A) as inserted by the Provident Fund (Amendment) Act 1993 (No. 6 of 1993) is amended by inserting a new "PART VIB" as follows -

"PART VIB

Application

- 1.(1) In this Part --

"education costs and/or fees" include secondary school, college, university or other tertiary or similar institution training fees or costs whether for the purposes of --

- (a) full time instruction; or
- (b) travelling to and from such institution in or outside Kiribati; or
- (c) board and lodging,

in or at such institution or any other similar institution;

“lender” means –

- (a) the Bank of Kiribati; or
- (b) the Development Bank of Kiribati; or
- (c) any other person who is approved by the Minister acting in accordance with the advice of the Cabinet to be a fit and proper person to be a lender for the purposes of this Part.

(2) This Part shall apply only to a member of the Fund who may be able to secure a loan from a lender for the purposes set out in the succeeding section.

Member may use fund as security for loan for education costs and/or fees

2.(1) Notwithstanding any other provisions of this Ordinance (Provident Fund Ordinance (Cap. 78A)) or any other Act, the Board may on the application of a lender and a member, permit such member to use as security for a loan from such lender –

- (a) not more than thirty per cent of the amount standing to the credit of such member in the Fund for the purposes of education costs and/or fees only if the member involved has already used the Fund as security for the purchase of a dwelling house etc. in accordance with section 2(1) of Part VIA of the Provident Fund Ordinance; or
- (b) not more than seventy per cent of the amount standing to the credit of the member in the Fund for the purposes of education costs and/or fees only if the member involved has not used the Fund as security for the purchase of a dwelling house, etc., under section 2(1) of Part VIA of the Provident Fund Ordinance.

(2) A security given under subsection (1) is given subject to any conditions which the Board may think fit to impose.

Amendment of section 20

4. Section 20 of the Provident Fund Ordinance (Cap. 78A) as amended by the Provident Fund Act 1978 (No. 17 of 1978, Constitution (Laws Adaptation) Order 1980, No. 3 of 1982, No. 10 of 1997 is further amended -

- (a) in subsection (1) by inserting between “Subject to section 28” and “the amount” in the first line the following -

“on a written application for withdrawal from the Fund by a member whether for the whole or any part of the amount standing to his credit in the Fund, the whole or any part, as the case may be, of”; and

- (b) in subsection (2) by inserting between “withdrawn” and “any” in the second line the following -

“the whole or any part of”

Insertion of new section 17A

5. The Provident Fund Ordinance (Cap. 78A) is amended by inserting a new section 17A between sections 17 and 18 as follows:-

“Funeral Expenses

17A.(1) Subject to subsection (4), if a member of the Fund dies, such deceased member shall be entitled to have his funeral expenses paid for by the Board from any amount standing to the credit of such deceased member in the Fund at the date of his death.

(2) The funeral expenses shall be paid out of the Fund by the Board, subject to subsection (4), as a first priority payment before any other payment is made under section 23.

(3) The amount of the funeral expenses payable under this section shall not exceed \$1500 or 50 per cent of the amount standing to the credit of such deceased member in the Fund on his death whichever is less.

(4) Notwithstanding any other provisions of this Act, or any other Act, the Manager, after consultation with the Chairman of the Board or in the absence of the Chairman, the Vice-Chairman of the Board, shall on the death of any member and upon the application of a qualified person pay to such qualified person the appropriate amount of the funeral expenses specified in subsection (3).

(5) In this section –

“qualified person” means –

(a) the spouse of the deceased member (if any), who survives the deceased member and also had lived with the deceased member immediately before and on his death; or

(b) any one of either parents (if any) of the deceased member who survives the deceased member at the date of his death, if the deceased member is single; or

(c) any one of the sons or daughters of the deceased member (if any) who shall apply for the funeral expenses under this section according to the order of seniority and who is also available on the date when the deceased member died and at a place where the body of the deceased member lies if the deceased member has no spouse; or

(d) any next of kin or relative of the deceased member in whose care or custody the body of the deceased member is being kept or looked after for the purposes of the wake and visitation by the relatives to honour and pay respects to the body of the deceased member before the funeral and post funeral festivities or other activities, if the deceased member has no parents or sons or daughters, or are not available, as the case may be; or

- (e) any other person as the Board may consider fit and suitable for the purposes of this section to be a qualified person under the circumstances if the deceased member has no next of kin or relative available, as the case may be.”

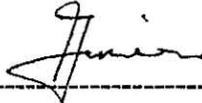
PROVIDENT FUND (AMENDMENT) ACT NO.4 2001**EXPLANATORY MEMORANDUM**

1. This Act seeks to amend the Provident Fund Ordinance (Cap. 78A) ("the Ordinance") in accordance with the recommendations of the Provident Fund Board of which recommendations the Government has approved and hence their introduction in this May-June 2001 Meeting of the Maneaba ni Maungatabu.
2. There are altogether four principal changes to the Ordinance which form the basis of the amendments in this Act.
3. Firstly, it is proposed that the amount of the existing combined contribution to the Fund by the employee and the employer of 12 cents per dollar be increased to 15 cents per dollar. Hence the employee's contribution from his/her wages will be 7.5 cents and the employer's contribution will also be 7.5 cents (see Clause 2).
4. Secondly there is a proposal to permit a member of the Fund to utilize his credit in the Fund as a security for a loan for education costs/ fees (see Clause 3).
5. Thirdly it is also proposed that any member on reaching the age of 45 or 50 years, etc. be allowed to withdraw the whole or some part of the amount standing to a member's credit in the Fund if such member wishes to do so. If a member reaches the age of 45 years withdraws some part only of the amount in his credit in the Fund then such member can only withdraw the remaining amount when he reaches the age of 50 years (see section 13(5) and section 20(2)) of the Ordinance). Apart from having reached the age of 50 years, a member can also withdraw the whole amount of his credit in the Fund if he has reached the age of 45 years and had retired from employment permanently (section 20(1)(aa) of the Ordinance).
6. Then finally it is proposed that on his/her death a member of the Fund should be entitled to have his/her funeral expenses paid for by the Board from any amount standing to such member's credit in the Fund at the date of his/her death (see Clause 5).
7. In order to secure the payment of the funeral expenses from the Fund, the spouse of deceased member, or any of the parents (if any) and a member is single, or the sons or daughters (if no spouse) or the relatives or next of kin (if no children), etc can apply to the Manager, after consultation with the Chairman of the Board and in his absence, the Vice Chairman, to have the funeral expenses paid to any one of them as appropriate (Clause 5).
8. And the maximum amount of the funeral expenses payable under this section is \$1500 or 50 per cent of any amount standing to the credit of deceased member in the Fund whichever amount is less (Clause 5).

Michael N Takabwebwe
Attorney General
2 April 2001

**CERTIFICATE BY THE CLERK OF THE MANEABA NI
MAUNGATABU**

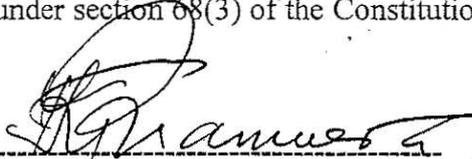
This printed impression of the **Provident Fund (Amendment) Act 2001** has been examined by me with the Bill which was passed by the Maneaba ni Maungatabu on **11th June 2001**, and is found by me to be a true copy and correctly printed copy of the said Bill.



IOATAAKE TIMEON
Clerk of Parliament

**CERTIFICATE OF THE SPEAKER OF THE MANEABA NI
MAUNGATABU**

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



HON. TEKIREE TAMUERA
Speaker

PUBLISHED BY EXHIBITION AT THE MANEABA NI MAUNGATABU THIS---
DAY OF -----, 2001.

Clerk of Maneaba ni Maungatabu