

# Special Banking Option Offer



**Work and Income**  
Te Hiranga Tangata

*A service of the Ministry of Social Development*

**If you wish to accept the offer, you will need to sign the acceptance on the last page, but please make sure you have read and understood the terms and conditions of the offer before you do so.**

## **Offer by Chief Executive, Ministry of Social Development to Overseas Pensioner to make Alternative Arrangement**

*Reg. 6, Social Security (Alternative Arrangement for Overseas Pensions) Regulations 1996*

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### **To: The Overseas Pensioner referred to in the attached letter**

The Chief Executive, Ministry of Social Development hereby makes you an offer to enter into an Alternative Arrangement with the Chief Executive for the receipt of your overseas pension from the Government of the United Kingdom of Great Britain and Northern Ireland.

This offer is made on the terms and conditions set out in this offer.

The general effect of the alternative arrangement is:

- Your overseas pension will be paid by that Government into a special bank account with the Westpac Banking Corporation (Westpac).
- You will not be able to use or draw on the money in that account.
- The money in that account will be paid from time to time to Work and Income.
- You will receive the rate of your New Zealand benefit or benefits (including New Zealand Superannuation or Veteran's Pension) that would be payable if the Chief Executive was not required to deduct the amount of your overseas pension from it or them.
- You will not be required to pay New Zealand income tax on your overseas pension or to include it in your income tax return, from the time your overseas pension starts going into the special bank account. You will still need to pay tax for any overseas payments received prior to this date.

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**Note: It may not be to your advantage to accept the offer if the rate of your pension payments in New Zealand currency exceeds or might exceed the rate of your New Zealand benefit payments. If you accept the offer and this occurs, you will not receive a refund of the difference.**

# Terms and Conditions

The terms and conditions of the alternative arrangement are as follows:

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## 1

In these terms and conditions -

“**Benefit**” has the meaning in section 3 (1) of the Social Security Act 1964 and includes New Zealand Superannuation and Veterans Pension;

“**Competent authority**” means the competent authority of the Government of the United Kingdom of Great Britain and Northern Ireland;

“**Overseas pension**” has the meaning in section 3 (1) of the Social Security Act 1964;

“**Regulations**” means the Social Security (Alternative Arrangement for Overseas Pensions) Regulations 1996.

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## 2

You will sign all forms required by the bank nominated by the Chief Executive, namely the Westpac Bank (“Westpac”) and by the competent authority of the Government of the United Kingdom of Great Britain and Northern Ireland to ensure that -

- a) Your overseas pension is paid into a special bank account with Westpac (“the special account”); and
  - b) the competent authority advises Westpac and Work and Income of the details of the payments of your overseas pension paid into the special account.
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## 3

You will give an authority to Westpac stating that -

- a) You authorise Westpac to open and administer a special bank account in your name.
  - b) Westpac is authorised to operate the account for the purposes for which the account may be operated under the regulations.<sup>1</sup>
  - c) On the occurrence of any of the circumstances set out in clause 4 of these terms and conditions, Westpac is authorised to transfer any money in the account to the Chief Executive and close the account.
  - d) Westpac is instructed and authorised to transfer the balance of the account held from time to time to Work and Income at any time and frequency agreed between Westpac and Work and Income.
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<sup>1</sup> The purposes for which the special account may be operated under the regulations are:

To receive payments of your overseas pension from the competent authority of the Government of the United Kingdom of Great Britain and Northern Ireland; and

To transfer to the Chief Executive from time to time, amounts equivalent to the amounts of those payments of that overseas pension.

# Terms and Conditions

- e) Except for transfers to Work and Income, you may make no withdrawals from the account.
- f) No cheque or deposit books will be issued and you will not be permitted to nominate the account for credit card, telephone, EFTPOS, or automatic teller machine transactions, or any other type of transaction.
- g) Westpac is authorised to disclose any information about the account to Work and Income necessary for the purpose of administering the alternative arrangement.
- h) You are not entitled to request the account number of the account from Westpac and Westpac will not disclose that account number to you.
- i) Bank account statements will not be issued to you, but copies of bank account statements will be made available to you or Work and Income for audit purposes and if requested for dispute resolution.
- j) Westpac is authorised to receive from the competent authority information about your United Kingdom pension payments, and to give that information to Work and Income where necessary to administer the special arrangement.
- k) No charges will be made to you for the operation of the account in accordance with the authority.
- l) Subject to paragraph (m), you will be entitled to -
  - i) request Westpac to close the account at any time; or
  - ii) revoke the authority to the competent authority or Westpac, but the revocation will not be effective until after the date on which the account is closed in accordance with the authority referred to in paragraph (m).
- m) If you request the account be closed, or if you revoke the authority to Westpac, or if Westpac receives notice that you have revoked the authority given to the competent authority, or if Westpac decides to close the account in accordance with the authority referred to in paragraph (c) -
  - i) you shall not be entitled to withdraw any credit balance in the account; and
  - ii) Westpac shall be entitled to -
    - A) transfer any monies in the account to Work and Income; and
    - B) close the account; and
    - C) notify Work and Income of the reason for the closure.

# Terms and Conditions

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**4** The circumstances referred to in clause 3 (c) are those set out in regulation 3 (3) of the Regulations, namely -

- i) If Westpac receives notice from the Chief Executive that the alternative arrangement with you has ceased; or
  - ii) If Westpac receives notice from the Chief Executive that the Chief Executive has terminated the alternative arrangement with you; or
  - iii) If you attempt to operate the special bank account for a purpose for which it may not be operated under the regulations; or
  - iv) If Westpac is notified, by means on which it is reasonable to rely, that -
    - A) you have ceased to reside in New Zealand; or
    - B) you have died.
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**5** You agree that the Chief Executive, Westpac, and the competent authority may disclose to one another -

- a) Information about your special account; and
  - b) Information about payments of the overseas pension made to the special account -  
if disclosure is necessary to facilitate the administration of the alternative arrangement or the special account.
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**6** No payment under section 70 (3) (b)<sup>2</sup> of the Social Security Act 1964 shall be made before 1 April 1997.

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**7** The disposition of your overseas pension to the Chief Executive under the arrangement is made in consideration of the Chief Executive making payments to you under that section<sup>3</sup>.

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**8** The alternative arrangement will not apply to the following payments of your overseas pension made to the special account (except that the authority you have given Westpac to transfer the balance in the special account to Work and Income still applies) and any such payments will be dealt with under the normal provisions of section 70 (1) of the Social Security Act 1964 and the Income Tax Act 1994:

- a) Any payment (including arrears) made in respect of a period before the later of the following dates -
  - i) the date you accept the offer to make the arrangement; or
  - i) 1 April, 1997; and
- b) Any part of a payment that relates to such a period.

## 9

The alternative arrangement will cease if -

- a) Westpac closes the special account in accordance with the authority given it; or
- b) You give the Chief Executive written notice that the arrangement is to cease; or
- c) The Chief Executive determines that you either never have been or are no longer -
  - i) entitled to a benefit; or
  - ii) entitled to enter into an alternative arrangement; or
- d) You cease to reside in New Zealand; or
- e) You are adjudicated bankrupt; or
- f) You die.

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## 10

The Chief Executive may terminate the alternative arrangement if you fail to comply with any condition set out in regulation 3 (2) of the Regulations<sup>4</sup>.

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## 11

You understand that if you voluntarily give notice that the special arrangement is to cease, or the Chief Executive terminates the arrangement under clause 10, you will not be able to enter into another alternative arrangement for the same purpose.

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## 12

This offer is made on the further condition that if you are receiving a married rate of New Zealand Superannuation or other New Zealand benefit, an offer accepted by one partner will not be valid unless the other partner has also accepted the offer made by the Chief Executive and vice versa.



**Chief Executive**

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<sup>2</sup> Section 70(3) (b) is the section under which the Chief Executive is able to make payment of the rate of your New Zealand benefit or benefits that would be payable if the Chief Executive was not required to deduct the amount of your overseas pension from it or them.

<sup>3</sup> This means your overseas pension is paid to the Chief Executive in return for the Chief Executive making payments under section 70 (3)b of the Social Security Act.

<sup>4</sup> The conditions set out in regulation 3 (2) of the Regulations are set out on the back of this offer.

# Extract from Regulations

## Conditions set out in regulation 3 (2) of the Regulations

The conditions set out in regulation 3 (2) of the Social Security (Alternative Arrangement for Overseas Pensions) Regulations 1996 are as follows:

### **That the overseas pensioner -**

- a) Complies with any obligation imposed on the overseas pensioner by the Regulations; and
- b) Signs a written authority to the nominated bank to -
  - i) open and administer a special bank account in the overseas pensioner's name; and
  - ii) operate the account for the purposes for which it may be operated; and
  - iii) on the occurrence of any of the circumstances set out in subclause (3) of this regulation<sup>5</sup> transfer any money in the account to the Chief Executive and close the account; and
- c) Signs a written authority to the competent authority to pay the overseas pension into the overseas pensioner's special bank account; and
- d) Shall not revoke an authority given under paragraph (b) or paragraph (c) of this subclause unless the overseas pensioner closes the special bank account with effect from the date on which the revocation of the authority takes effect; and
- e) Shall not operate the overseas pensioner's special bank account for any purpose for which it may not be operated; and
- f) Agrees that the Chief Executive, the competent authority, and the nominated bank may disclose to one another -
  - i) information about the overseas pensioner's special bank account; and
  - ii) information about payments of the overseas pension made to the special bank account -

if the disclosure is necessary to facilitate the administration of the overseas pensioner's alternative arrangement or special bank account.

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<sup>5</sup> See condition 4 of the offer.

# Acceptance Form

## Acceptance

If you wish to accept the offer, please sign this acceptance form. Please make sure you have read and understood the terms and conditions of the offer before you sign.

I hereby accept the offer made by the Chief Executive, Ministry of Social Development to make an alternative arrangement for receipt of my pension payments from the Government of the United Kingdom of Great Britain and Northern Ireland on the terms and conditions set out in that offer. Attached to this acceptance is my signed authority to the Westpac Banking Corporation to open and operate a special bank account for me and my signed authority to the competent authority of the Government of the United Kingdom of Great Britain and Northern Ireland to pay my pension into the special bank account.

I declare I am not an undischarged bankrupt.

Name

Address

Work and Income Client Number

National Insurance Number (if known)

Day	Month	Year

Client's Signature

Please Sign Here

*or signature of attorney or other authorised agent of client*