

1942.  
NEW ZEALAND.

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# SOCIAL SECURITY DEPARTMENT.

REPORT FOR THE TWELVE MONTHS ENDED 31st MARCH, 1942.

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*Presented to both Houses of the General Assembly pursuant to the Provisions of the Social Security Act, 1938.*

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**In so far as the Social Security Legislation is concerned, this report deals with Part II of the Act only. Reports on the operation of Part III and Part IV of the Act will be submitted by the Health and Land and Income Tax Departments respectively.**

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## REPORT.

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To the Hon. the MINISTER OF SOCIAL SECURITY.

SIR,— Social Security Department, Wellington, 24th June, 1942.  
I have the honour to submit for the information of Parliament the third annual report of the Social Security Department, for the period 1st April, 1941, to 31st March, 1942.

### NEW LEGISLATION.

During the year the Act was amended (from 1st September, 1941) by provisions of the Finance Act, 1941, affecting monetary benefits as follows:—

- (a) The additional amount which could be granted to an age beneficiary in respect of his wife not qualified for benefit in her own right was increased from £13 to £26 per annum, and the limit of income and benefit (exclusive of benefit in respect of children) was increased from £156 to £182 per annum:
- (b) The additional amount payable in respect of any child of an age beneficiary was increased from £13 to £26 per annum, subject to a limitation of £234 per annum on the total benefit:
- (c) The family-benefit provisions were extended to cover all children of a family instead of only the second and subsequent children in each case:
- (d) The maximum invalids' benefit was increased from £208 to £234 per annum:
- (e) The amount payable by way of sickness benefit in respect of each child of an applicant for such benefit was increased from 5s. to 10s. a week.

A provision affecting age benefits only was included in section 8 of the Finance Act (No. 2), 1941, by which the Commission is empowered, in computing the income of any person whose income is required to be taken into account for the purposes of an application for such benefit, to disregard, to such extent as might be necessary for the adjustment of any anomaly, amounts paid or payable by way of social security charge or national security tax. This provision has applied with respect to age benefits granted or renewed since 1st November, 1941.

**BENEFITS.****UNEMPLOYMENT BENEFITS.**

The following figures show the number of applications for unemployment benefits dealt with during the years ended 31st March, 1941, and 31st March, 1942, respectively, and illustrate the decline in unemployment in the Dominion :—

	1940-41.			1941-42.		
	Males.	Females.	Totals.	Males.	Females.	Totals.
Persons granted benefit .. .. .	21,720	1,191	22,911	8,999	630	9,629
Number of applications declined .. ..	10,199	1,010	11,209	5,122	790	5,912
Number of persons whose applications were declined, but who were granted emergency benefits on grounds of hardship	557	958	1,515	344	1,124	1,468
Totals .. .. .	32,476	3,159	35,635	14,465	2,544	17,009

**SICKNESS BENEFITS.**

The following figures show the number of applications for sickness benefits dealt with during the years ended 31st March, 1941, and 31st March, 1942, respectively :—

	1940-41.			1941-42.		
	Males.	Females.	Totals.	Males.	Females.	Totals.
Persons granted benefit .. .. .	17,189	6,236	23,425	17,862	7,294	25,156
Number of applications declined .. ..	1,997	958	2,955	1,938	918	2,856
Number of persons whose applications were declined, but who were granted emergency benefits on grounds of hardship	186	309	495	113	242	355
Totals .. .. .	19,372	7,503	26,875	19,913	8,454	28,367

**EMERGENCY BENEFITS.**

Under the provisions of section 58 of the Social Security Act, 1938, the Social Security Commission may, in its discretion, grant a special benefit on grounds of hardship to any person who is not qualified for any other benefit under the Act, but who, by reason of age or of physical or mental disability, or for any other reason, is unable to earn a sufficient livelihood for himself and his dependants. Two thousand and ten emergency benefits were granted during the year.

**OTHER MONETARY BENEFITS.**

Details with regard to other monetary benefits under the Act are included in the table on page 4.

**FINANCE.****STATEMENT SHOWING THE RECEIPTS AND PAYMENTS OF THE SOCIAL SECURITY FUND FOR THE YEAR ENDED 31ST MARCH, 1942.**

<i>Receipts.</i>		<i>Payments.</i>	
	£		£
Balance .. .. .	1,867,440	Monetary benefits—	
	£	Universal superannuation .. .. .	445,686
Social security registration fees .. .. .	605,222	Age .. .. .	7,190,694
Social security charge on wages and other income .. .. .	10,432,314	Widows .. .. .	844,928
Penalties, fines, interest, and miscellaneous .. .. .	50,146	Orphans .. .. .	18,275
		Family .. .. .	539,183
	11,087,682	Invalids .. .. .	1,011,375
Grants from Consolidated Fund, vote "Social Security" (Social Security Act, 1938, section 105 (c)) .. .. .	3,600,000	Miners .. .. .	83,258
		Maori War .. .. .	440
		Unemployment .. .. .	138,528
		Sickness .. .. .	304,154
		Emergency .. .. .	124,716
			10,701,237
		Medical benefits, &c.—	
		Medical benefits .. .. .	205,673
		Hospital benefits .. .. .	1,372,405
		Maternity benefits .. .. .	549,850
		Pharmaceutical benefits .. .. .	279,698
		Supplementary benefits .. .. .	27,962
			2,435,588
		Administration expenses—	
		Land and Income Tax Department .. .. .	90,000
		Health Department .. .. .	35,266
		Social Security Department .. .. .	269,196
			394,462
			13,531,287
		Balance .. .. .	3,023,835
	£16,555,122		£16,555,122

### WAR PENSIONS.

The general administration of the various enactments providing for pensions and allowances in respect of service in the present and former wars and the carrying-out of decisions of the War Pensions Board and the War Pensions Appeal Board are functions of the Social Security Department.

### LEGISLATION.

Section 17 of the Finance Act, 1941 (effective from 1st September, 1941), amended the war veterans' allowances legislation as follows:—

- The rate of allowance payable in respect of each child of a veteran was increased from £13 to £26 per annum:
- The maximum basic allowance payable in respect of a veteran, his wife and children, was increased from £156 to £208 per annum:
- The limit up to which the basic allowance could be supplemented on economic grounds was increased from £182 to £234 per annum.

### DISSECTIONS OF WAR PENSIONS CURRENT AT 31ST MARCH, 1942.

Class of Pension.	War Pensions Act, 1915.			War Pensions Extension Act, 1940.			Totals.		
	Number of Pensioners	Number of Children.	Annual Value.	Number of Pensioners.	Number of Children.	Annual Value.	Number of Pensioners	Number of Children.	Annual Value.
Ex-members of forces—			£			£			£
Permanent .. ..	12,171	8	806,836	24	..	1,277	12,195	8	808,113
Temporary .. ..	3,433	4	267,688	2,209	..	202,196	5,642	4	469,884
Dependants of disabled ex-members	2,932	3,656	237,711	339	379	29,477	3,271	4,035	267,188
Widows .. ..	1,953	599	217,419	545	440	73,168	2,498	1,039	290,587
Other dependants of deceased members	2,405	97	89,552	180	76	7,281	2,585	173	96,833
Totals .. ..	22,894	4,364	1,619,206	3,297	895	313,399	26,191	5,259	1,932,605

### ECONOMIC PENSIONS PAYABLE AT 31ST MARCH, 1942, IN SUPPLEMENTATION OF STATUTORY WAR PENSIONS.

Class of Pension.	War Pensions Act, 1915.		War Pensions Extension Act, 1940.		Total.	
	Number.	Annual Value.	Number.	Annual Value.	Number.	Annual Value.
Ex-members with permanent pensions	2,641	£ 196,303	4	£ 312	2,645	£ 196,615
Ex-members with temporary pensions	1,068	80,180	726	56,135	1,794	136,315
Widows .. ..	724	27,060	256	8,388	980	35,448
Widowed mothers .. ..	98	4,530	57	2,690	155	7,220
Totals .. ..	4,531	308,073	1,043	67,525	5,574	375,598

### PENSIONS PAYABLE OUTSIDE NEW ZEALAND AT 31ST MARCH, 1942.

Class of Pension.	War Pensions Act, 1915.	War Pensions Extension Act, 1940.	Total.
Ex-members of forces—			
Permanent .. ..	849	..	849
Temporary .. ..	54	13	67
Wives and parents of ex-members: Temporary ..	110	1	111
Dependants of deceased members—			
Widows .. ..	214	12	226
Other dependants .. ..	322	8	330
Totals .. ..	1,549	34	1,583

### SUMMARY OF WAR PENSION PAYMENTS.

	Payments made in						Total.
	London.	Australia.	Canada.	South Africa.	Foreign Countries.	New Zealand.	
	£	£	£	£	£	£	£
Total payments to 31st March, 1941	1,304,914	849,676	47,433	9,700	14,086	30,635,712	32,861,521
Payments in 1941–42 ..	46,285	31,739	3,752	484	841	1,713,577	*1,796,678
Total payments to 31st March, 1942	1,351,199	881,415	51,185	10,184	14,927	32,349,289	34,658,199

\* Includes £178,135 in respect of war pensions in connection with the present war and £1,062 to members of the Emergency Reserve Corps.

## WAR PENSIONS APPEAL BOARD.

The following table summarizes the operations of the War Pensions Appeal Board during the year with respect to appeals under war pension and related legislation :—

	War Pensions Act, 1915.	War Pensions Extension Act, 1940.	War Pensions and Allowances (Mercantile Marine) Act, 1940.	War Veterans' Allowances Act, 1935.	Totals.
Appeals outstanding at 31st March, 1941	55	21	..	1	77
Appeals lodged 1941-42 .. ..	217	357	3	5	582
Total to be dealt with .. ..	272	378	3	6	659
Appeals upheld, 1941-42 .. ..	92	111	2	2	207
Appeals dismissed, 1941-42 .. ..	127	146	1	3	277
Appeals withdrawn and struck out .. ..	22	25	..	..	47
Total disposed of, 1941-42 .. ..	241	282	3	5	531
Appeals outstanding at 31st March, 1942	31	96	..	1	128
Percentage upheld .. ..	38.1	39.3	66.6	40.0	38.9

Medical treatment of war pensioners during 1941-42 cost £26,214. (This item includes the cost of treatment of pensioners resident in overseas countries.)

Railway concessions to ex-members of the forces pensioned for total and permanent disablement and those with locomotor disabilities on permanent pensions in excess of 50 per cent. cost £4,003.

## BENEFITS AND PENSIONS IN FORCE AND TOTAL PAYMENTS.

	As at 31st March, 1941.			As at 31st March, 1942.		
	Number in Force.	Annual Value.	Total Payments 1940-41.	Number in Force.	Annual Value.	Total Payments 1941-42.
		£	£		£	£
Universal superannuation .. ..	36,602	366,020	240,336	41,021	512,762	445,636
Age .. ..	97,696	7,127,821	7,101,346	99,152	7,337,248	7,190,694
Widows .. ..	10,569	843,516	836,368	10,765	849,363	844,928
Orphans .. ..	350	17,888	17,713	372	18,909	18,275
Family .. ..	16,626	485,337	411,811	18,316	631,902	539,183
Invalids .. ..	11,936	998,792	999,648	12,107	1,022,611	1,011,375
Miners .. ..	931	85,394	88,656	888	80,403	83,258
Maori War .. ..	7	546	744	4	312	440
Unemployment .. ..	1,906	..	299,161	841	..	138,528
Sickness .. ..	3,452	..	279,581	3,672	..	304,154
Emergency .. ..	2,034	..	130,096	2,170	..	126,718
War (War Pensions Act, 1915) .. ..	23,458	1,653,534	1,649,076	22,894	1,619,206	1,617,181
War (War Pensions Extension Act, 1940)	551	61,644	14,376	3,297	313,399	178,135
War Veterans' allowances .. ..	2,033	209,445	211,325	1,888	216,864	210,575
Boer War (Defence Act, 1909) .. ..	47	1,777	1,858	45	1,478	1,581
Mercantile Marine pensions .. ..	9	1,128	916	3	266	617
Emergency Reserve Corps .. ..	1	104	3	2	127	1,062
Sundry pensions and annuities .. ..	83	9,832	10,152	76	9,377	9,329
Civil Service Act, 1908 .. ..	6	2,337	2,647	6	2,337	2,354
War and other pensions paid on behalf of the Governments of Great Britain, Australia, India, Canada, South Africa, and Crown colonies .. ..	2,721	175,900	214,795	3,037	210,455	184,039
Totals .. ..	210,928	12,041,015	12,510,608	220,556	12,827,019	12,908,412

## COST OF ADMINISTRATION.

Excluding expenditure of £2,556 on capital items, administration costs for the year amounted to £326,195, including £36,140 in respect of the administration of war pensions and allowances. This represents 2.52 per cent. on total payments.

## GENERAL.

Under arrangements made with the High Commissioner for the Western Pacific the facilities of the Social Security Department were made available for the payment of allowances to evacuees from Tonga, and as at 31st March, 1942, a total of twenty-five persons were being paid allowances on behalf of the Tongan Government.

The number of officers absent on war service on 31st March, 1942, was 449, 9 of whom have made the supreme sacrifice. The heavy drain on trained personnel owing to war conditions has proved a severe handicap, but the ready response at all times of the remaining members of the staff, together with the temporary assistance engaged, has enabled the Department to function efficiently.

In submitting this report I would like to place on record my appreciation of the staff's wholehearted co-operation in bringing to a successful conclusion a very strenuous and trying year's work.

H. DIGBY-SMITH, Chairman,  
Social Security Commission.

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