

# Appraisal Report

## File/Document ID

<b>Date</b>	February 2009
<b>Public Office:</b>	Ministry of Economic Development, Insurance & Superannuation Unit (I&SU)
<b>Contact:</b>	[Name Removed] Insurance & Superannuation Unit Branch Business Services Branch
<b>Authors:</b>	[Names Removed]
<b>Disposal Type:</b>	Continuing class based schedule
<b>Coverage:</b>	Central office situated in Wellington
<b>Scope:</b>	Hardcopy superannuation scheme records created by I&SU. Administrative records will be sentenced under the relevant GDAs 1, 2, 3 and 4.

---

## 1 Executive Summary

The records covered in this report encompass all hardcopy superannuation scheme records created by the Insurance and Superannuation Unit (I&SU). The exception being the administrative records covered by General Disposal Authorities (GDAs) 1, 2, 3 and 4.

On February 2009 the previous disposal schedule, CHJ 98/007, will expire. In order for I&SU to continue to dispose of I&SU records, the schedule has been reviewed and updated to reflect the current environment.

Since the release of the previous schedule, KiwiSaver has been introduced. This has resulted in an increase in schemes winding up and no new employer sponsored schemes being registered. The December 2008 changes to KiwiSaver may however mean that many of the remaining schemes will now continue.

The disposal criteria in the Archives New Zealand Appraisal Standard were applied. The detailed disposal schedule is attached as an Appendix.

## 2 Appraisal Circumstances

On February 2009 the previous disposal schedule in place for the I&SU will expire. In order for I&SU to continue managing its records in compliance with the Public Records Act 2005, the schedule has been reviewed and updated to reflect the current environment.

Since the release of the previous schedule, KiwiSaver has been introduced from 1 July 2007, which has seen an increase in schemes winding up and no new employer sponsored schemes being registered. Currently there are around 600 currently registered superannuation schemes being administered.

## 3 Agency Information

<i>Agency name:</i>	Insurance and Superannuation Unit, Business Services Branch, Ministry of Economic Development
<i>Physical location(s)</i>	Wellington
<i>Year established:</i>	1996
<i>Year disestablished:</i>	-

## 3.1 Agency Background

Responsibility for superannuation schemes was transferred from the Inland Revenue Department to the Government Actuary's Office in the mid-1970s. The Government Actuary's Office was then a branch of Treasury. In July 1996 the Government Actuary's Office (now named the I&SU) moved to the Ministry of Commerce. This has subsequently become the Ministry of Economic Development.

The typical superannuation scheme has been a trust setup by an employer to provide retirement benefits for the staff. Prior to the 1920s the number of such schemes was small. Recent years have seen the rise (and fall) of new publically marketed superannuation schemes, which differs significantly from the traditional employer sponsored scheme. These schemes were promoted by insurance companies, banks or other financial intermediary. These are usually funded solely by the contributors. The 1976 Superannuation Schemes Act and Regulation followed on from the demise of the 1974 Superannuation Fund Act.

The Superannuation Schemes Act 1989 significantly amended the regulation of superannuation schemes as a result of the Government's policy to bring the tax treatment and regulatory requirements for super schemes in to line with those that applied to other forms of saving and investment. Previously it had been necessary to obtain the approval of the Government Actuary in order for a scheme to register and qualify for tax concessions. With the removal of the tax incentives, the detailed conditions for approval and restrictions were no longer considered necessary.

The Government Actuary's no longer approves schemes but registers any scheme for which an application is made in the prescribed form. He still retains a number of significant sanctions and is able to regulate important aspects of the way in which the scheme is run, and there remains an important distinction for taxation purposes between registered and unregistered schemes. The Government Actuary reports annually to Parliament in accordance with section 28 of the Superannuation Scheme Act 1989.

Since 1988 the Government has implemented a policy under which superannuation schemes are taxed the same as other forms of investment or savings. Tax concessions for contributions to schemes were ended. Since 1988 there has been a significant reduction in the number of registered super schemes. However overall the number of members in registered superannuation schemes has remained relatively constant in recent years.

If the Government Actuary is not satisfied that a scheme is operating in accordance with the Act, he can (and has) require the trustee to supply information or require that it be operated in a certain way, or be wound up.

The introduction of KiwiSaver from 1 July 2007, has seen an increase in schemes winding up and no new employer sponsored schemes being registered. The December 2008 changes to KiwiSaver may however mean that many of the remaining schemes will now continue.

## 4 Recordkeeping Information

### 4.1 Superannuation Schemes

**Start date:** mid 1970s

**End date:** Ongoing

**Legislation:** Superannuation Scheme Act 1989

#### 4.1.1 System and format

While the Superannuation Act 1989 brought a marked change in the Government's involvement of such schemes, files created under that Act and previous legislation have been treated as part of one series. Old schemes were given 12 months to re-apply under the new Act, otherwise they were automatically deemed to be registered under it on 1 April 1990. Same classification system used under both Acts: AS for approved scheme, plus a running number.

#### **4.1.2 Description**

The Superannuation Schemes Act 1989 prescribes what matters must be included in the trust deed governing a super scheme. All files of schemes registered under the Act include a copy of the trust deed. This includes:

- conditions of entry of members to the scheme
- conditions of determination of membership of the scheme
- contributions payable
- conditions under which benefits become payable
- number of trustees and provisions for their appointment and retirement
- circumstances under which the scheme may be wound up and the assets distributed.

Contents of a typical file (registered under either Act) include annual report forms including the name of the scheme, manager, address, type of scheme, a membership statement, numbers of members joining and leaving the scheme information about benefit disbursements; copy of the Trust Deed; correspondence with Government Actuary about winding up and cancellation and any problems attendant on that; application for registration; copy of audited statement of accounts providing details of contributions, interest, benefits; information booklet issued by scheme; No names of members.

#### **4.1.3 Quantity**

There are around 1,270 terminated superannuation schemes whose files are awaiting destruction in accordance with the specified rules. Many schemes will have multiple files so actual physical files awaiting destruction could be 2,000 to 3,000.

#### **4.1.4 Precedent**

The previous schedule for I&SU: CHJ 98/007

#### **4.1.5 Access recommendations**

There is no legal obligation on the Ministry to provide access to these records; they were excluded from the provisions of the Official Information Act and this has been confirmed by the Ombudsman.

## **5 Methodology**

An appraisal report and schedule were developed for the I&SU records in 1999. The pre-1988 wound up superannuation scheme files have been destroyed as per the National Archives New Zealand Records Disposal Schedule Form dated 12 March 1999.

The methodology used to develop the new appraisal report and schedule was:

- Review of 1999 schedule and discussion with the developer of that schedule;
- Review of the 1999 appraisal report;
- Development of appraisal report and ongoing retention and disposal schedule; and
- Review of the report and schedule by the schedule owner and I&SU manager.

### **5.1 Scope of schedule**

#### **5.1.1 Inclusions**

- Existing hard copy non-current records and electronic indices.

#### **5.1.2 Exclusions**

- Records covered by the General Disposal Schedules.

## 6 Relevant Precedent

*Previous Disposal Authorities:* CHJ 98/007

As stated in the previous disposal authority, there appears to be no continuing administrative, legal or general historical reasons to retain the records in question. Their retention does not appear to be required by any act of Parliament, including the Acts that created them. Any residual interest in a wound up scheme would be acted on within twelve months of the winding up.

## 7 Disposal Criteria

The disposal criteria in the Archives New Zealand Appraisal Standard Recommendations were used to develop the retention and disposal schedule. The criteria used and their relevance is listed below:

The criteria for recommending the destruction of records are:	
Concern routine administrative matters only	D1
Concern routine operational matters only	D2
Records that contain information summarised, more complete and/or more readily available from other sources, or parliamentary records such as HANSARD/AJHR, or other government agencies	D3
Are published material	D4

## 8 Record Class Information

The records offered for approval in this retention and disposal authority have been broken down into 2 subclasses. Class descriptions and evaluations are outlined below.

### 8.1 Superannuation Schemes

Class Title:	Superannuation schemes
Class number:	1.0
Class Description:	Information relating to superannuation schemes registered with the Actuary, including information provided by the scheme and regulation activities carried out by the Actuary.
Value:	The files provide no administrative, legal or residual historical values in the material five years after closure.

#### Recommended for retention as public archives

No records in this class are recommended for retention as public archives.

#### Recommended for destruction

#	Sub-classes	Description	Reason
1.1	Superannuation schemes – scheme information	Information about registered superannuation schemes including a copy of the trust deed, annual report forms, etc.	D2, D3, D4
1.2	Superannuation schemes – indexes / registries	Any paper / electronic indexes and registries for the superannuation records.	D1

## **9 Access Recommendations**

[Removed]

## **10 Transfer Arrangements**

[Removed]

## **Appendix 1 – Retention and disposal schedule**