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An Act to mitigate the economic hardship resulting from measures taken to protect the Cook Islands from COVID-19 (Coronavirus Disease 2019) by—

- (a) temporarily lowering the rate of employers' and employees' contributions to the National Superannuation Fund in 2 steps; and
- (b) backdating the first rate change to 1 April 2020 to ensure the rate is valid from when it was initially applied.

The Parliament of the Cook Islands enacts as follows—

(30 June 2020)

- 1 Title**
This Act is the COVID-19 (Cook Islands National Superannuation) Act 2020.
- 2 Commencement**
 - (1) This Act is deemed to have come into force on 1 April 2020, except for section 6.
 - (2) Section 6 comes into force on 1 July 2020.

*Preliminary provisions***3 Interpretation**

In this Act, unless the context otherwise requires,—

Board has the meaning given in section 2(1) of the National Superannuation Act

Fund has the meaning given in section 2(1) of the National Superannuation Act

National Superannuation Act means the Cook Islands National Superannuation Act 2000

Trustee has the meaning given in section 2(1) of the National Superannuation Act.

4 Act binds the Crown

This Act binds the Crown.

*Contribution rates***5 Contributions to Fund for period 1 April to 30 June 2020**

- (1) An employee must contribute to the Fund at the rate of 3% of the employee's earnings.
- (2) An employee's employer must contribute to the Fund at the rate of 3% of the employee's earnings.
- (3) This section ceases to apply at the close of 30 June 2020.

6 Contributions to Fund for period 1 July to 30 September 2020

- (1) An employee must contribute to the Fund at the rate of 1% of the employee's earnings.
- (2) An employee's employer must contribute to the Fund at the rate of 1% of the employee's earnings.
- (3) The Queen's Representative may, by Order in Executive Council and in accordance with a recommendation of the Board and the Trustee, amend the rates set out in this section, whether for classes of employees or employers or generally.
- (4) This section ceases to apply at the close of 30 September 2020.

*Relationship with other enactments***7 Relationship of this Act with National Superannuation Act**

- (1) Sections 5 and 6 of this Act override section 39 of the National Superannuation Act.
- (2) Sections 5 and 6 of this Act are subject to the other provisions of the National Superannuation Act except that—
 - (a) the reference in section 41 of the National Superannuation Act to section 39(1)(a) must be read as a reference to section 5(1) or 6(1) (whichever applies) of this Act; and
 - (b) the references in section 44 of that Act—
 - (i) to section 39(1)(a) must be read as a reference to section 5(1) or 6(1) (whichever applies) of this Act; and

- (ii) to section 39(1)(b) must be read as a reference to section 5(2) or 6(2) (whichever applies) of this Act.

8 Relationship of this Act with Employment Relations Act 2012

Despite section 36(1)(c) of the Employment Relations Act 2012, an employer may deduct money from an employee's wages as required by either the National Superannuation Act or this Act, whichever applies.

Effect of change in rates on employment contracts

9 Effect of change in rates on employment agreements

- (1) The rates set out in sections 5 and 6 of this Act apply according to their terms despite anything to the contrary in an employment agreement (including rates referred to in an enactment).
- (2) Reference in an express or implied term in an employment agreement (including in a reference in an enactment) to contributions to the Fund must be treated as a reference to contributions at the rates applying under section 39 of the National Superannuation Act and section 5 or 6 of this Act, as applicable.
- (3) Despite subsections (1) and (2), if the conditions in subsection (4) are met—
 - (a) an employee may make higher contributions than the rate in section 5(1) or 6(1) (whichever provision applies); and
 - (b) the employee's employer may make higher contributions than the rate in section 5(2) or 6(2) (whichever provision applies).
- (4) The conditions are—
 - (a) the employee is not paid through the centralised government payroll system; and
 - (b) the employee's and employer's higher contributions are at the same rate; and
 - (c) the employee's and employer's higher contribution rate is not more than 5%.
- (5) Nothing in this section prevents an employee from paying a voluntary contribution under section 36(2) of the National Superannuation Act.

This Act is administered by the National Superannuation Board.
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