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**APPLICATION OF THE NATIONAL INSURANCE  
(ISLE OF MAN) BILL, 1960.**

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His Excellency the Lieutenant Governor has considered the application of the above Bill, when it becomes law, to the Superannuation Schemes listed in the Second Schedule to the Bill. In particular His Excellency has considered possibilities arising on the application of clause 6 of the Bill (non-participating employments).

It would appear to His Excellency that, first, in introducing this measure of graduated contributions and pension benefits, it was no part of Government's intention to compel provision of this sort in cases where an adequate occupational provision is already made.

Secondly, in addition to meeting the cost of the occupational pension schemes listed in the Second Schedule *as they now stand* Government (as, indirectly, the employer) would have to pay much more in national insurance contributions, if these occupational schemes were not contracted out.

Thirdly, officers with long service would get total pensions in relation to salary much in excess of what has hitherto been accepted in principle as reasonable provision for old age.

For these reasons therefore, His Excellency has rejected the possibility that officers superannuated under any of the Schemes mentioned in the Second Schedule to the Bill should have the benefits of the Schemes *as they now stand* and the graduated National Insurance scheme *in addition*.

It would appear to His Excellency that the alternative decisions on the application of the Bill, which remain open, are—

- (a) to contract out of the graduated scheme; and
  - (b) not to contract out of the graduated scheme and to abate the occupational pension by an amount equal to the graduated pension;
- and in due course, in accordance with Clause 11 of the Bill, His Excellency would propose to enter into consultation with the bodies concerned on alternatives (a) and (b) set out above.

By Order,

E. R. St. A. DAVIES,

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Government Treasurer.

December, 1960.