



# Supplementary War Service Gratuities

## War Service Gratuities World War 2

In 1945 the government of the day introduced War Service Gratuity as a gift from the government to servicemen and women in recognition of their service. The amount of the War Service Gratuity was calculated on a daily rate:

- 2s. 6d. per day for service outside New Zealand; and
- 8d. per day for service within New Zealand.

War Service Gratuity was calculated on discharge and the money was paid into special Post Office Savings Accounts called 'War Gratuity Post Office Savings Bank Accounts'. These accounts attracted an additional 5% bonus interest on top of the regular 2½% interest paid on the accounts. The accounts matured on 31 March 1949 and account holders were asked to transfer the money to other savings accounts. The accounts were held open until 1 April 1950, after which remaining accounts were paid into ordinary Post Office Savings Bank Accounts and the 5% annual bonus interest ceased.

Servicemen and women were entitled to War Service Gratuity up until 31 March 1947. After that time the rates of pay were increased by an amount equivalent to the gratuity and, unless they chose to stay on the old rate of pay, entitlement to gratuity ceased.

## Korea

A decision was made on the 10th of March 1953 to pay a gratuity of 3s per day, for every day of overseas service, to the members of Kayforce. The payment was made as a cash payment on discharge. Kayforce personnel were able to claim their War Service Gratuity up until 1958.

## Supplementary War Service Gratuity

In addition to the War Service Gratuity, a Supplementary War Service Gratuity was introduced. The purpose of the Supplementary War Service Gratuity was to supplement the War Service Gratuity of the servicemen and women who had not served sufficient time to receive £200, but who suffered a disability as a result of their service. In order to establish eligibility for the Supplementary War Service Gratuity entitlement was linked to the War Disablement Pension.

The Supplementary War Service Gratuity was enacted in 'The Finance Act (No 2) 1953', which remains extant. The Finance Act (No 2) 1953 sets the maximum amount of the Supplementary War Service Gratuity at \$400.

Entitlement to a Supplementary War Service Gratuity is calculated on a percentage basis. The percentage War Disablement Pension a veteran is on forms the basis of the calculation. For example, if a veteran is on a War Disablement Pension of 20% the entitlement is 20% of \$400. If the veteran has already received more than that amount in War Service Gratuity then the veteran cannot claim any Supplementary War Service Gratuity. However, if a veteran has received less than \$400/£200 in War Service Gratuity, the veteran has a level of continued entitlement to Supplementary War Service Gratuity as the level of War Disablement Pension

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changes, until the \$400 maximum is reached.

## Examples of Entitlement for Supplementary War Service Gratuity

### Example A

A serviceman is sent overseas and suffers a severe head injury. His earned War Service Gratuity is £53-1-6 (\$106.15), he is now on a 100% War Disability Pension so he is entitled to \$293.85 in Supplementary War Service Gratuity.

|                                          |                    |
|------------------------------------------|--------------------|
| Maximum Gratuity                         | \$400              |
| War Disablement Pension                  | 100%               |
| Maximum Gratuity payable                 | \$400              |
| Has already received a gratuity of       | £53-1-6 (\$106.15) |
| Supplementary War Service Gratuity owing | \$293.85           |

### Example B

A service man went overseas and received gunshot wounds to the leg. His earned War Service Gratuity was £221-11-8. Although he is now on a 70% War Disablement Pension he is not entitled to any Supplementary War Service Gratuity as he received over £200 in War Service Gratuity.

|                                          |                      |
|------------------------------------------|----------------------|
| Maximum Gratuity                         | \$400                |
| War Disablement Pension                  | 70%                  |
| Maximum Gratuity payable                 | \$280                |
| Has already received a gratuity of       | £221-11-8 (\$443.17) |
| Supplementary War Service Gratuity owing | \$0                  |

### Example C

A service man went overseas and as a result of his service now has hearing problems. His earned gratuity was £104-19-4. He is now on a 10% War Disablement Pension. Using the formula for calculating the Supplementary War Service Gratuity he would only be entitled to Supplementary War Service Gratuity if he has earned War Service Gratuity of less than £20 (\$40), 10% of \$400. He is however, entitled to claim Supplementary War Service Gratuity if his level of War Disablement Pension changes.

|                                          |                      |
|------------------------------------------|----------------------|
| Maximum Gratuity                         | \$400                |
| War Disablement Pension                  | 10%                  |
| Maximum Gratuity payable                 | \$40                 |
| Has already received a gratuity of       | £104-19-4 (\$209.93) |
| Supplementary War Service Gratuity owing | \$0                  |