

# **Parliamentary Pensions (Abolition) Bill**

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**Bill No. 18/2012.**

*Read the first time on 13th August 2012.*

## **PARLIAMENTARY PENSIONS (ABOLITION) ACT 2012**

**(No. of 2012)**

### ARRANGEMENT OF SECTIONS

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## A BILL

*intituled*

An Act to provide that service as Members of Parliament and as holders of ministerial and other offices after 20th May 2011 cease to be reckonable for the grant of pensions and gratuities under the Parliamentary Pensions Act (Chapter 219 of the 1996 Revised Edition) and to make consequential amendments to that Act, to provide for the eventual repeal of that Act and to make related and consequential amendments to other written laws.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

## Short title and commencement

1.—(1) This Act may be cited as the Parliamentary Pensions (Abolition) Act 2012 and shall, with the exception of sections 7 and 8 and the Schedule, be deemed to have come into operation on 21st May 2011.

(2) Sections 7 and 8 and the Schedule shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

## Interpretation

2. In this Act, unless the context otherwise requires —

“Member of Parliament” means —

- (a) an elected Member of Parliament within the meaning of Article 39(1)(a) of the Constitution;
- (b) a non-constituency Member within the meaning of Article 39(1)(b) of the Constitution; or
- (c) a nominated Member within the meaning of Article 39(1)(c) of the Constitution;

“office” means the office of —

- (a) the Prime Minister;
- (b) a Deputy Prime Minister;
- (c) the Speaker;
- (d) a Senior Minister or a Minister;
- (e) a Senior Minister of State or a Minister of State;
- (f) a Mayor;
- (g) a Senior Parliamentary Secretary or a Parliamentary Secretary; or
- (h) a Political Secretary.

## No parliamentary pension, etc., for service on or after 21st May 2011

3. No pension or gratuity shall be granted under the Parliamentary Pensions Act (Cap. 219) to any person in respect of —

- (a) any service on or after 21st May 2011 in Parliament as a Member of Parliament; or
- (b) any service on or after 21st May 2011 in any office.

**No parliamentary pension, etc., granted unless service ceases**

4.—(1) No pension or gratuity shall be granted on or after 21st May 2011 under the Parliamentary Pensions Act (Cap. 219) to any person in respect of any service in Parliament as a Member of Parliament unless the person — 5

- (a) has not less than the minimum number of years of reckonable service specified in section 3 of that Act to be eligible for a pension under that section; and 10
- (b) has ceased at any time thereafter to be a Member of Parliament.

(2) No pension or gratuity shall be granted on or after 21st May 2011 under the Parliamentary Pensions Act to any person in respect of any service in any office unless the person — 15

- (a) has not less than the minimum number of years of reckonable service specified in section 4 of that Act to be eligible for a pension under that section; and
- (b) has ceased at any time thereafter to be the holder of any office. 20

(3) Where any pension is granted before 21st May 2011 to any office-holding Member under section 4 of the Parliamentary Pensions Act by virtue of section 5 of that Act, payment of that pension as a full or reduced pension shall stop on or after 21st May 2011 and cease to be payable to that office-holding Member for the period that he remains an office-holding Member and any such pension paid in contravention of this subsection shall be immediately refunded to the Pension Fund; except that at the end of that period when he so ceases to hold office — 25

- (a) all that full or reduced pension which would have been payable, if not for this subsection, between 21st May 2011 and the date he so ceases to hold office (both dates inclusive) shall then be payable in a lump sum (without interest); and 30

(b) his pension under section 4 of the Parliamentary Pensions Act shall be re-computed by adding the period of reckonable service between the date the pension was granted and 20th May 2011 (both dates inclusive) to the period of his former reckonable service which had been used in computing his pension.

(4) For the avoidance of doubt, this section shall have effect subject to sections 13 and 15 of the Parliamentary Pensions Act.

### **Consequential amendments to Parliamentary Pensions Act**

5. The Parliamentary Pensions Act (Cap. 219) is amended —

(a) by deleting the definition of “reckonable service” in section 2(1) and substituting the following definition:

““reckonable service” means —

(a) in relation to service as a Member — service in Parliament as a Member of Parliament on and after 3rd June 1959 but not after 20th May 2011; and

(b) in relation to service in any office — service in that office on and after 3rd June 1959 but not after 20th May 2011.”;

(b) by deleting the words “, including any period which may be counted as such service by virtue of section 6” in section 2A(1);

(c) by inserting, immediately after the words “by virtue of” in section 2A(2)(b), the words “the repealed”;

(d) by deleting the words “and has attained the age of 50 years” in section 3(1);

(e) by inserting, immediately after the words “period of his” in section 3(4), the word “reckonable”;

(f) by deleting the word “has —” in section 4(1) and substituting the words “has not less than 8 years’ reckonable service as an office-holding Member (whether continuously or not).”;

- (g) by deleting paragraphs (a) and (b) of section 4(1);
- (h) by inserting, immediately after the words “with the addition of that period” in section 4(3), the words “comprising reckonable service”;
- (i) by inserting, immediately after the words “is increased” in section 4(5), the words “before 21st May 2011”;
- (j) by deleting subsection (2) of section 5 and substituting the following subsections:
- “(1A) Subsection (1) shall not apply to an office-holding Member who attains the age of 55 years on or after 21st May 2011.
- (2) Subject to sections 13 and 15, where any pension is granted before 21st May 2011 to any office-holding Member under section 4 by virtue of subsection (1), payment of that pension as a full or reduced pension shall stop on or after 21st May 2011 and cease to be payable to that office-holding Member for the period that he remains an office-holding Member and any such pension paid in contravention of this subsection shall be immediately refunded to the Pension Fund; except that at the end of that period when he so ceases to hold office —
- (a) all that full or reduced pension which would have been payable, if not for this subsection, between 21st May 2011 and the date he so ceases to hold office (both dates inclusive) shall then be payable in a lump sum (without interest); and
- (b) his pension under section 4 shall be re-computed by adding the period of reckonable service between the date the pension was granted and 20th May 2011 (both dates inclusive) to the period of his former reckonable service which had been used in computing his pension.”;
- (k) by inserting, immediately after the words “a person has been granted” in section 5(3), the words “before 21st May 2011”;

(*l*) by deleting the words “, notwithstanding subsection (3) of that section, continue to be payable to him and shall, at the end of his further period as an office-holding Member, be re-computed with the addition of that further period to the period of his former reckonable service as an office-holding Member.” in section 5(3) and substituting the words “stop on or after 21st May 2011 and cease to be payable to that person for the period that he remains an office-holding Member and any pension paid in contravention of this subsection shall be immediately refunded to the Pension Fund; except that at the end of that period when he so ceases to hold office —

(i) all that pension which would have been payable, if not for this subsection, between 21st May 2011 and the date he so ceases to hold office (both dates inclusive) shall then be payable in a lump sum (without interest); and

(ii) his pension under section 4 shall be re-computed by adding the period of reckonable service between the date the pension was granted and 20th May 2011 (both dates inclusive) to the period of his former reckonable service which had been used in computing his pension.”;

(*m*) by repealing sections 6, 9, 10 and 11;

(*n*) by inserting, immediately after the words “adding his further” in section 7(5), the word “reckonable”; and

(*o*) by deleting subsection (4) of section 18.

### **Related and consequential amendments to other written laws**

**6.—(1)** Part III of the Parliament (Privileges, Immunities and Powers) Act (Cap. 217) is amended by inserting, immediately after section 11, the following section:

#### **“Gratuity upon death or incapacity of Member**

**11A.—(1)** Where at any time after 20th May 2011 —

(*a*) a Member dies while serving as a Member; or



- (b) a Member, having opted under section 7 of the Parliamentary Pensions Act (Cap. 219) to receive a full pension without any gratuity, dies within one year of his pension taking effect,

there may be paid to such of his dependants as the President may think fit or, if there are no dependants, to his legal personal representatives a gratuity in accordance with this section (referred to in this section as the death gratuity). 5

(2) In the case of a pensionable Member who has 9 or more years of reckonable service as a Member, the death gratuity shall be an amount as follows: 10

- (a) if he never held any office, or if he had previously held office but was not holding any office at the time of his death and has less than 8 years' reckonable service as an office-holding Member (whether continuously or not) — an amount equal to one of the following sums, whichever is the higher: 15

(i) the annual equivalent of the monthly rate of salary received by him as a Member immediately before his death; or 20

(ii) the Member's commuted sum in respect of his reckonable service as a Member;

- (b) if he is holding office at the time of his death and has 8 or more years' reckonable service as an office-holding Member (whether continuously or not) — an amount that is the balance after deducting any sums already received by him by way of pension or gratuity under the Parliamentary Pensions Act during his lifetime from one of the following sums, whichever is the higher: 25

(i) the total amount by adding the annual equivalent of the monthly rate of salary received by him as a Member immediately before his death and the annual equivalent of the monthly rate of salary received by the Member as a holder of that office immediately before his death; or 30 35

(ii) the aggregate of the Member's commuted sum and office-holder's commuted sum in respect of his reckonable service as a Member and as a holder of any office, respectively;

5 (c) if he is holding office at the time of his death but has less than 8 years' reckonable service as an office-holding Member (whether continuously or not) — an amount equal to one of the following sums, whichever is the higher:

10 (i) the total amount by adding the annual equivalent of the monthly rate of salary received by him as a Member immediately before his death and the annual equivalent of the monthly rate of salary received by the Member as a holder of that office immediately before his death; or

15 (ii) the Member's commuted sum in respect of his reckonable service as a Member; and

(d) if he had previously held office but was not holding any office at the time of his death and has 8 or more years' reckonable service as an office-holding Member (whether continuously or not) — an amount that is the balance after deducting any sums already received by him by way of pension or gratuity under the Parliamentary Pensions Act during his lifetime from one of the following sums, whichever is the higher:

20 (i) the annual equivalent of the monthly rate of salary received by him as a Member immediately before his death; or

25 (ii) the aggregate of the Member's commuted sum and office-holder's commuted sum in respect of his reckonable service as a Member and as a holder of any office, respectively.

30 (3) In the case of a non-pensionable Member, the death gratuity shall be an amount as follows:

- (a) if he has never held any office — an amount equal to the annual equivalent of the monthly rate of salary received by him as a Member immediately before his death;
- (b) if he holds an office at the time of his death and has 8 or more years' reckonable service as an office-holding Member (whether continuously or not) — an amount that is the balance after deducting any sums already received by him by way of pension or gratuity under the Parliamentary Pensions Act during his lifetime from one of the following sums, whichever is the higher:
- (i) the annual equivalent of the monthly rate of salary received by the Member as a holder of that office immediately before his death; or
  - (ii) the office-holder's commuted sum in respect of his reckonable service as a holder of any office;
- (c) if he holds an office at the time of his death but has less than 8 years' reckonable service as an office-holding Member (whether continuously or not) — an amount equal to the annual equivalent of the monthly rate of salary received by the Member as a holder of that office immediately before his death;
- (d) if he had previously held office but was not holding any office at the time of his death and has 8 or more years' reckonable service as an office-holding Member (whether continuously or not) — an amount that is the balance after deducting any sums already received by him by way of pension or gratuity under the Parliamentary Pensions Act during his lifetime from one of the following sums, whichever is the higher:
- (i) the annual equivalent of the monthly rate of salary received by him as a Member immediately before his death; or
  - (ii) the office-holder's commuted sum in respect of his reckonable service as a holder of any office; and

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(e) if he had previously held office but was not holding any office at the time of his death and has less than 8 years' reckonable service as an office-holding Member (whether continuously or not) — an amount equal to the annual equivalent of the monthly rate of salary received by him as a Member immediately before his death.

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(4) There shall be charged on and paid out of the Pension Fund established by the Pension Fund Act (Cap. 224A) all sums of money payable by way of death gratuity in accordance with this section.

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(5) Any death gratuity granted under this section shall not be assignable or transferable except for the purpose of satisfying a debt due to the Government or an order of any court for the payment of periodical sums of money towards the maintenance of the wife or former wife or minor child (whether legitimate or not) of the person to whom the death gratuity has been granted, and shall not be liable to be attached, sequestered or levied upon for or in respect of any debt or claim whatever except a debt due to the Government.

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(6) In this section —

“annual salary”, in relation to a Member, means —

(a) the annual equivalent of the highest monthly rate of salary received by the Member during any period of his reckonable service as a Member, if reckoning a Member's commuted sum for that Member; or

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(b) the annual equivalent of the highest monthly rate of salary received by the Member during any period of reckonable service as a holder of any office, if reckoning an office-holder's commuted sum for that Member;

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“Member's commuted sum”, in relation to a Member, means a capital sum ascertained by multiplying the

commutation factor of 175.14 by the lower of the following amounts:

- (a) two-thirds ( $\frac{2}{3}$ ) of his annual salary as a Member;  
or
- (b) the total amount that is determined by adding — 5
  - (i) in respect of every completed year of reckonable service, one-thirtieth ( $\frac{1}{30}$ ) part of his annual salary; and
  - (ii) in respect of any remaining uncompleted year of reckonable service, one-three-hundred and sixtieth ( $\frac{1}{360}$ ) part of his annual salary for each completed month of reckonable service; 10

“monthly rate of salary” excludes all non-pensionable allowances; 15

“non-pensionable allowances” means —

- (a) the Variable Bonus which was paid for the years 1988 to 1991;
- (b) the Annual Variable Component which is payable for the year 1992 and subsequent years; and 20
- (c) the Non-Pensionable Variable Payment which is payable monthly for the year 1993 and subsequent years;

“non-pensionable Member” means a person —

- (a) who, being an elected Member on 1st January 1995, has exercised in respect of his reckonable service as a Member on or after that date, an option to convert to the provident fund scheme applicable to non-pensionable employees of the Government under the Central Provident Fund Act (Cap. 36); 25 30
- (b) who becomes, by election or appointment, a Member at any time after 1st January 1995

without previously having been, before or after that date, a Member or an office-holding Member;

(c) who, having been a Member before 1st January 1995 but not being a Member on that date, becomes, by election or appointment, a Member at any time after that date;

(d) who, being an elected Member on 1st January 1995, becomes —

(i) a non-constituency Member or nominated Member at any time after that date with or without a break in his service as a Member; or

(ii) an elected Member at any time after that date with a break in his service as a Member after that date,

and for the purposes of this paragraph, a Member's service shall be deemed not broken but continuous if, following the dissolution of Parliament or his seat therein becoming vacant under the provisions of the Constitution, he is elected as a Member at the ensuing general election or the ensuing by-election to fill that vacancy;

“office” means the office of —

(a) the Prime Minister;

(b) a Deputy Prime Minister;

(c) the Speaker;

(d) a Senior Minister or a Minister;

(e) a Senior Minister of State or a Minister of State;

(f) a Mayor;

(g) a Senior Parliamentary Secretary or a Parliamentary Secretary; or

(h) a Political Secretary;

“office-holder’s commuted sum”, in relation to a Member, means a capital sum ascertained by multiplying the commutation factor of 175.14 by the lower of the following amounts:

- (a) two-thirds ( $\frac{2}{3}$ ) of the highest annual salary of any office held by a Member; or 5
- (b) the total amount that is determined by adding —
  - (i) in respect of every completed year of reckonable service in any office, or where he has served in more than one office in each office, one-twenty-seventh ( $\frac{1}{27}$ ) part of his annual salary in that office; and 10
  - (ii) in respect of any remaining uncompleted year of reckonable service in any office, or where he has served in more than one office in each office, one-three-hundred and twenty-fourth ( $\frac{1}{324}$ ) part of his annual salary for each completed month of reckonable service in that office; 15

“pensionable Member” means a Member other than a non-pensionable Member; 20

“reckonable service” means —

- (a) in relation to service as a Member — service in Parliament as a Member of Parliament on and after 3rd June 1959 but not after 20th May 2011; and 25
- (b) in relation to service in any office — service in that office on and after 3rd June 1959 but not after 20th May 2011.

(7) The President may, by order published in the *Gazette*, vary the commutation factor referred to in subsection (6). 30

(8) For the avoidance of doubt, no person shall have an absolute right to any death gratuity under this section.”

(2) The Schedule to the Pension Fund Act (Cap. 224A) is amended by inserting, immediately after item 3, the following item:

“3A. The Parliament (Privileges, Immunities and Powers) Act (Cap. 217).”.

### **Repeal of Parliamentary Pensions Act**

7.—(1) The Parliamentary Pensions Act (Cap. 219) is repealed.

5 (2) The provisions of the Schedule shall have effect with respect to the saving and transitional matters on the repeal of the Parliamentary Pensions Act.

### **Consequential amendments to other written laws following repeal**

10 **8.**—(1) Section 11A(1) of the Parliament (Privileges, Immunities and Powers) Act (Cap. 217) is amended by deleting paragraph (b).

(2) The Pension Fund Act (Cap. 224A) is amended —

(a) by deleting paragraph (a) of the definition of “public service” in section 2; and

15 (b) by deleting item 4 of the Schedule.

(3) Section 4 of the Public Service (Monthly Variable Component and Non-pensionable Annual Allowance) Act (Cap. 259A) is amended —

20 (a) by deleting the words “and the Parliamentary Pensions Act”; and

(b) by deleting the marginal reference “Cap. 219.”.

## **THE SCHEDULE**

Section 7(2)

### **SAVING AND TRANSITIONAL PROVISIONS**

#### **25 Definition**

1. In this Schedule, “repealed Act” means the Parliamentary Pensions Act (Cap. 219) repealed by the Parliamentary Pensions (Abolition) Act 2012.

#### **Pension or gratuity not assignable**

30 2. A pension or gratuity granted under the repealed Act shall not be assignable or transferable, except for the purpose of satisfying —



THE SCHEDULE — *continued*

(a) a debt due to the Government; or

(b) an order of any court for the payment of periodical sums of money towards the maintenance of the spouse or former spouse or minor child, whether legitimate or not, of the person to whom the pension has been granted,

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and shall not be liable to be attached, sequestered or levied upon for or in respect of any debt or claim whatever except a debt due to the Government.

**Reduction or withholding of pension because of corruption**

3.—(1) It shall be lawful for the President to reduce or altogether withhold any pension which has been granted to a person under the repealed Act where such person has been convicted by any court of an offence (even if only a fine and no term of imprisonment has been imposed) —

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(a) under the Prevention of Corruption Act (Cap. 241); or

(b) involving corruption under any other written law.

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(2) The President shall, before exercising any power conferred on him by sub-paragraph (1), consider the record of the proceedings of the court.

(3) Where any pension is reduced or altogether withheld under sub-paragraph (1) from any person, it shall be lawful for the President, in his discretion, to direct that all or any part of the pension be applied for the benefit of the person's wife and any child or children, and after the expiry of any term of imprisonment served by him, also for his benefit, in such proportions and manner as the President thinks fit.

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**Pension to stop upon bankruptcy**

4.—(1) If any person to whom a pension has been granted under the repealed Act is adjudged a bankrupt or is declared insolvent by judgment of any court of competent jurisdiction in Singapore or elsewhere, then such pension shall forthwith cease.

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(2) Where a pension ceases by virtue of this paragraph, it shall be lawful for the President, from time to time, during the remainder of the life of the person whose pension has ceased, or during such shorter period or periods, either continuously or otherwise, as the President thinks fit, to direct all or any part of the moneys to which that person would have been eligible to receive by way of pension had he not become a bankrupt or insolvent, to be paid to or applied for the maintenance and benefit of all or any (to the exclusion of others) of the following, namely, the person himself and his wife, child or children, or other dependants in such proportions and manner as the President thinks proper; and such moneys shall be paid or applied accordingly.

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THE SCHEDULE — *continued*

(3) Moneys applied for the discharge of the debts of the person whose pension has ceased shall, for the purposes of sub-paragraph (2), be regarded as applied for his benefit.

5 (4) When a person whose pension has ceased under the provisions of this paragraph, obtains a full and proper discharge from his bankruptcy or insolvency, his pension shall be restored to him with effect from the date of the discharge.

**Pensions to be met from Pension Fund**

10 5. There shall be charged on and paid out of the Pension Fund established by the Pension Fund Act (Cap. 224A) all sums of money payable by way of pension granted under the repealed Act.

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**EXPLANATORY STATEMENT**

This Bill seeks to amend and eventually repeal the Parliamentary Pensions Act (Cap. 219) to give effect to the recommendation in the White Paper titled “Salaries for a Committed and Capable Government” (Cmd. 1 of 2012) —

- (a) to render non-reckonable for the grant of pensions and gratuities under the Act any service as a Member of Parliament (MP) or as a holder of ministerial and other offices after 20th May 2011;
- (b) to provide for the payment of pensions and other benefits in respect of reckonable service as of 20th May 2011 only when the MP or office-holder, as the case may be, ceases to be an MP or office-holder; and
- (c) to remove parliamentary pensions from office-holders.

The Bill also makes related and consequential amendments to other written laws.

Clause 1 relates to the short title and provides for all amendments except those related to the repeal of the Parliamentary Pensions Act, to take effect retrospectively from 21st May 2011. That Act may be repealed by clause 7 on a later date to be published in the *Gazette* by the Minister.

Clause 2 defines the terms “Member of Parliament” and “office” which are used in the Bill.

Clause 3 provides that service after 20th May 2011 as an MP, and service after 20th May 2011 in any ministerial and other office, is not reckonable for the purposes of any pension or other benefit under the Parliamentary Pensions Act.

Clause 4 prohibits the granting of any pension or other benefit under the Parliamentary Pensions Act in respect of any service as an MP, or service in any

ministerial and other office, to any person unless and until the person ceases to be an MP or an office-holder, as the case may be, and has served the minimum number of years of service specified in that Act in order to be eligible for such a pension or benefit. Any pension, if granted in the form of a monthly pension to a serving office-holding Member, must stop on or after 21st May 2011 and cease to be payable to that office-holding Member for the period that he remains an office-holding Member. Any pension paid in contravention is immediately to be refunded to the Pension Fund. When the office-holding Member ceases to hold office, all that monthly pension which was stopped then becomes payable in a lump sum (without interest). His pension will then be re-computed by adding the period of reckonable service between the date the pension was granted and 20th May 2011 (both dates inclusive) to the period of his former reckonable service which had been used in computing the pension earlier granted.

Clause 5 makes various amendments to the Parliamentary Pensions Act largely as a direct consequence of clauses 3 and 4 which give effect to the recommendation in the White Paper titled “Salaries for a Committed and Capable Government” (Cmd. 1 of 2012). Other amendments are made to that Act to remove benefits which are no longer relevant.

Clause 5(a) replaces the definition of “reckonable service” in section 2(1) with a new definition that excludes service after 20th May 2011 as an MP, and that excludes service after 20th May 2011 in any ministerial and other office.

Clause 5(e), (h) and (n) makes amendments to sections 3(4), 4(3) and 7(5), respectively, to align the provisions with the new definition of “reckonable service”.

Next, clause 5(d), (f) and (g) deletes the pre-condition in sections 3(1) and 4(1)(b) that a former MP or a former office-holder must first attain 50 years of age before a pension for any service as an MP or as a holder of ministerial and other offices, as the case may be, may be granted to him. Any pension that has been withheld from any former MP or former office-holder solely on account of him being under-aged will therefore become immediately payable. Section 11, which is a special provision for the payment of benefits upon the death of a former MP or a former office-holder before the age of 50 years, is therefore also repealed by clause 5(m).

Clause 5(i) further confines the facility in section 4(5) that enables an office-holder to re-compute his benefits whenever the monthly rate of salary applicable to any office previously held by him is increased during any continuous period of his reckonable service as an office-holder holding another office, to salary increases before 21st May 2011.

Clause 5(j), (k) and (l) amends section 5 so that it ceases to apply to any office-holder who attains the qualifying age of 55 years on or after 21st May 2011. Such an office-holder will no longer have the facility of drawing an office-holder’s

pension while still in office. Any such pension, if granted in the form of a monthly pension, must stop on or after 21st May 2011 and cease to be payable to that office-holding Member for the period that he remains an office-holding Member. Any pension paid in contravention is immediately to be refunded to the Pension Fund. However, when the office-holding Member ceases to hold office, all that monthly pension which was stopped then becomes payable in a lump sum (without interest). His pension will then be re-computed by adding the period of reckonable service between the date the pension was granted and 20th May 2011 (both dates inclusive) to the period of his former reckonable service which had been used in computing the pension earlier granted.

Clause 5(*m*) repeals sections 6, 9 and 11, which contain provisions that are no longer relevant since no MP may be eligible for the benefits thereunder in future.

Section 6 allows a serving office-holder who is short of the minimum period of reckonable service as an office-holding Member to qualify for an office-holder's pension, to convert his past office-holder's service in accordance with a stated formula and increase his eligibility to a pension for service as an MP.

Section 9 provides for the grant of a pension or gratuity if a person ceases at any time to be an MP or to hold office by reason of ill-health and the President is satisfied that on account of such ill-health that person has become incapable of performing the duties of an MP or of his office.

Section 11 provides for the grant of a gratuity to the dependants or legal representatives of a former MP or a former office-holder who dies before attaining the age of 50 years, if the deceased would have been eligible for the grant of a pension if he had lived to that age.

Clause 5(*m*) also repeals section 10, which provides for the grant of a gratuity payable upon the death of an MP or office-holder while in office. This provision will be transferred to the Parliament (Privileges, Immunities and Powers) Act (Cap. 217) by clause 6.

Clause 6 makes a related amendment to the Parliament (Privileges, Immunities and Powers) Act by re-enacting the provision for the payment of a gratuity upon the death of an MP or office-holder while in office to his dependants as the President may think fit or, if there are no dependants, to his legal personal representatives. As a general rule, the new section 11A provides for the payment of a death gratuity that is equal to the annual equivalent of the salary of an MP or office-holder, as the case may be, based on his monthly salary on the date of his death. Where the deceased MP or office-holder is eligible for benefits under the Parliamentary Pensions Act in respect of reckonable service, the death gratuity may instead be the commuted pension gratuity based on such amount of pension the deceased would be eligible to receive had he ceased to be an MP or hold office (as the case may be), on the date of his death, if the amount of that commuted pension gratuity is higher.

Clause 6 also makes a consequential amendment to the Pension Fund Act (Cap. 224A) by including the Parliament (Privileges, Immunities and Powers) Act in the Schedule to that Act. This authorises the continued use of the Pension Fund to meet payments of the death gratuity under the new section 11A of the Parliament (Privileges, Immunities and Powers) Act.

Clause 7 repeals the Parliamentary Pensions Act and together with the Schedule, sets out saving and transitional provisions arising from such repeal.

Clause 8 contains consequential amendments to 3 Acts necessitated by the repeal of the Parliamentary Pensions Act. The reference to that Act in the new section 11A of the Parliament (Privileges, Immunities and Powers) Act is deleted. The other consequential amendment is to section 4 of the Public Service (Monthly Variable Component and Non-pensionable Annual Allowance) Act (Cap. 259A) by deleting the reference therein to the Parliamentary Pensions Act. Finally, all references to the Parliamentary Pensions Act in the Pensions Fund Act are to be deleted once there are no further payments of benefits under the Parliamentary Pensions Act.

## EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.

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