

**PARLIAMENTARY PENSIONS
(ABOLITION) ACT 2012**

(No. 21 of 2012)

ARRANGEMENT OF SECTIONS

Section

1. Short title and commencement
 2. Interpretation
 3. No parliamentary pension, etc., for service on or after 21st May 2011
 4. No parliamentary pension, etc., granted unless service ceases
 5. Consequential amendments to Parliamentary Pensions Act
 6. Related and consequential amendments to other written laws
 7. Repeal of Parliamentary Pensions Act
 8. Consequential amendments to other written laws following repeal
- The Schedule — Saving and transitional provisions
-

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 —

- (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
- (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 —

- (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.

(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 —

- (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 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”;

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- (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).

(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:

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

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

(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.

(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.

(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.

(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

(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;

“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 —
 - (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;

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

“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
- (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);
- (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
- (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
 - (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;

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

“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.

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

(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.

(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

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*

(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 —

(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

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

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,

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) —

- (a) *under the Prevention of Corruption Act (Cap. 241); or*
- (b) involving corruption under any other written law.

(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.

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.

(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.

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.*

(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

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.*
