PARLIAMENTARY CONTRIBUTORY SUPERANNUATION AMENDMENT BILL 1979

Date Introduced: 14 November 1979
House: House of Representatives
Presented by: Hon. E. Robinson, Minister for Finance

Short Digest of Bill

Purpose

To enable an eligible retiring member of Parliament to convert up to 100% of his or her retiring allowance into a lump sum payment.

Background

A Superannuation benefits scheme for members of Parliament was first introduced by the Parliamentary Retiring Allowances Act 1948 under which benefits are paid to former contributors, their widows, widowers and orphans. Parliamentary retiring allowances schemes are administered by the Department of Finance under the direction of the Parliamentary Retiring Allowances Trust which consists of 5 trustees - the Minister for Finance, two Senators and two members of the House of Representatives.

At present the Act provides that a member may convert up to 50% of his or her retiring allowance into a lump sum payment. In his Second Reading Speech the Minister stated that he was advised that the increase in the allowable lump sum conversion rate to 100% would reduce the cost of the scheme to the Commonwealth in the long term.

Main Provisions

Sub-clause 4(a) amends sub-section 18B(3) to permit a member to convert up to 100% of his retiring allowance into a lump sum payment; sub-clause 4(c) is a formal amendment which inserts a new section 5A declaring that an election to take the whole of the allowance in a lump sum payment precludes the payment of a retiring allowance and that the amount of the lump sum payment paid shall be reduced by the amount of allowance already paid.

Clause 5 amends section 19 to ensure, inter alia, that the death of a member who has elected to take his or her retiring allowance in a whole lump sum payment shall not affect the normal benefits which accrue to the member's
spouse under section 19. Similarly clause 6 amends section 19AA to secure the benefits that will accrue to an orphaned child of a member who elected to take a whole lump sum payment and has died.

Among other things, clause 7 amends section 20 by inserting a new sub-section 20(3AA) which provides that a person who elected to take the whole of his retiring allowance in a lump sum, and then becomes a member of Parliament again, shall be deemed to have never received a retiring allowance as far as his/or her renewed rights and liabilities are concerned.

16 November 1979

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