

INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 380.

*Parliamentary Members' Retirement Benefits.*

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GENERAL ANNOTATION.

ADMINISTRATION.

At the date of its preparation for inclusion the administration of this Chapter was vested in the Minister for Administrative Services.

The present administration may be ascertained by reference to the most recent Determination of Titles and Responsibilities of Ministers made under Section 148(1) of the Constitution.

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INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 380.

*Parliamentary Members' Retirement Benefits Act.*

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INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 380.

***Parliamentary Members' Retirement Benefits Act.***

Being an Act—

- (a) to establish a scheme to provide retirement benefits for members and former members of the Parliament and the former House of Assembly<sup>1</sup>; and
- (b) to provide certain benefits for their dependant spouses and children on the death of such members and former members.

and for related purposes.

PART I.—PRELIMINARY.

1. Interpretation.

In this Act, unless the contrary intention appears—

“the Board” means the Parliamentary Members' Retirement Benefits Board established under Section 2;

“contributor” means a member of the Parliament required by Section 19 to contribute to the Fund;

“Former Member” means a person who was—

- (a) an elected member of the 1961-1964 Legislative Council; or
- (b) a member of the former House of Assembly after 18 June 1964; or
- (c) a member of the Parliament at any time before the 1982 general election;

“Fund” means the Parliamentary Members' Retirement Benefits Fund established by Section 12;

“Parliamentary Committee” means the Permanent Parliamentary Committee on Pensions and Retirement Benefits;

“salary” means the salary received by a member of the Parliament, but does not include allowances paid to him;

“term of the Parliament”, in relation to a member of the Parliament, means the period commencing on the day immediately following the date fixed for the return of the writs for the general election of members to the Parliament to which he was elected, and ending on the date fixed for the return of the writs for the next general election of members after that first mentioned election.

PART II.—PARLIAMENTARY MEMBERS' RETIREMENT BENEFITS BOARD.

2. The Board.

(1) A Parliamentary Members' Retirement Benefits Board is hereby established.

(2) The Board—

- (a) is a corporation; and

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<sup>1</sup>By No. 47 of 1981 “Former Member” included “an elected member of the 1961-1964 Legislative Council”.

- (b) has perpetual succession; and
- (c) shall have a common seal.

(3) The seal of the Board shall not be attached to any document except by resolution of the Board, and shall be authenticated by the signature of two members of the Board.

### 3. Constitution of the Board.

(1) The Board shall consist of—

- (a) the Chairman of the Parliamentary Committee who shall be Chairman of the Board; and
- (b) an officer appointed by the Head of State, acting on advice; and
- (c) a member of the Public Officers' Superannuation Board established under the *Public Officers' Superannuation Act*, who shall be appointed by that Board; and
- (d) an officer of the Parliamentary Service, as defined in the *Parliamentary Service Act*, who shall be appointed by the Speaker.

(2) A member of the Board holds office—

- (a) while he retains the qualification in respect of which he was appointed; and
- (b) in the case of persons appointed under Subsection 1(b), (c), and (d)—during the pleasure of the person or body appointing him to be a member.

(3) The Chairman of the Board holding office by virtue of being Chairman of the Parliamentary Committee immediately before the day fixed for the return of the writs for a general election shall continue to hold office until the appointment of a new Chairman of the Parliamentary Committee notwithstanding that he ceases to be a member of the Parliament.

(4) A member of the Board may resign his office by written notice to the person or body (and in the case of the Chairman, to the Speaker) who appointed him.

### 4. Appointment of deputies.

(1) In the case of the illness or absence of a member of the Board—

- (a) appointed under Section 3(1)(b)—the Head of State, acting on advice; or
- (b) appointed under Section 3(1)(c)—the Public Officers' Superannuation Board; or
- (c) appointed under Section 3(1)(d)—the Speaker,

may appoint a person who holds the qualifications for the ill or absent member, to act as a member of the Board in place of the ill or absent member, and while that person is so acting, he shall have all the powers and functions of a member of the Board.

(2) In the case of the illness or absence of the Chairman—

- (a) the person appointed under Section 3(1)(b) shall act as Chairman; and
- (b) the Deputy Chairman of the Parliamentary Committee shall act as a member of the Board in place of the Chairman, and while he is so acting, he shall have all the powers and functions of a member of the Board but shall not be Chairman.

**5. Casual vacancies.**

Where—

- (a) a member of the Board (other than the Chairman) ceases to be a member, a person who holds the relevant qualification for appointment to be a member may be appointed by the appropriate body or person as set out in Section 4(1) until a substantive appointment is made by the appropriate body or person; and
- (b) the Chairman ceases to be a member, the Deputy Chairman of the Parliamentary Committee shall be appointed as a member until a new Chairman of the Parliamentary Committee is appointed.

**6. Validity of proceedings.**

An act or proceeding of the Board is not invalidated by reason only of a vacancy in the membership of the Board at the time that the act was performed or the proceeding taken.

**7. Meetings of the Board.**

- (1) Notice of a meeting of the Board shall be given by the Chairman personally or by post to all the members.
- (2) At a meeting of the Board—
  - (a) two members are a quorum; and
  - (b) all matters shall be decided by a majority of the votes of the members present and voting; and
  - (c) the Chairman has a deliberative and, in the event of an equality of votes on a matter, also a casting vote.

**8. Remuneration of members.**

The members of the Board shall be paid such allowances (if any) as the Parliamentary Committee from time to time determines.

**9. Delegation.**

The Board may, by writing under its seal, delegate to any person all or any of its powers and functions under this Act (except this power of delegation).

**10. Cost of management.**

The cost of the administration of this Act shall be paid out of Consolidated Revenue, which is, to the necessary extent, appropriated accordingly.

**11. Reports.**

The Board shall, in each year, submit to the Parliamentary Committee, to be laid before the Parliament, a report dealing with the general administration and working of this Act.

**PART III.—PARLIAMENTARY MEMBERS' RETIREMENT BENEFITS FUND.**

**12. Establishment of the Fund.**

- (1) A Parliamentary Members' Retirement Benefits Fund—
  - (a) into which shall be paid the contributions of contributors and payments by the State; and

(b) from which shall be paid the benefits provided for in this Act, is hereby established.

(2) Income derived from the investment of the Fund is part of the Fund.

### 13. Investment of Fund.

(1) In this section, "authorized short-term money market" means the group of dealer companies authorized by the Bank of Papua New Guinea to be approved dealers in short-term loans and towards which that Bank acts as lender of last resort.

(2) The moneys of the Fund shall, as far as practicable, be invested by the Board—

(a) in any securities of or guaranteed by the State; or

(b) in the securities of any authorized short-term money market; or

(c) in any other manner approved by the Parliamentary Committee,

and in such proportions as between investments or classes of investments as are approved by the Parliamentary Committee.

(3) Except with the approval of the Parliamentary Committee or where moneys are invested in the securities of an authorized short-term money market, the Board shall not invest any portion of the Fund at a rate of interest of less than that paid on Government inscribed stock of a two year term.

### 14. Moneys uninvested.

Moneys held uninvested by the Board may be lodged either at call or on fixed deposit, or partly at call and partly on fixed deposit, with the Bank of Papua New Guinea or with any other prescribed Bank.

### 15. Signing of cheques.

Cheques drawn on a bank account of the Board shall be signed as prescribed.

### 16. Accounts and records to be kept.

The Board shall cause to be kept proper accounts and records of its transactions and affairs, and shall do all things necessary to ensure that all payments out of its moneys are properly made and properly authorized, and that adequate control is maintained over its assets or assets in its custody and over the incurring of liabilities by it.

### 17. Audit.

(1) The Auditor-General shall inspect and audit the accounts and records of financial transactions of the Board and records relating to its assets or assets in its custody, and shall immediately draw the attention of the Parliamentary Committee to any irregularity disclosed by the inspection and audit that is, in the opinion of the Auditor-General, of sufficient importance to justify his so doing.

(2) The Auditor-General may, at his discretion, dispense with all or any part of the detailed inspection and audit of any accounts or records referred to in Subsection (1).

(3) The Auditor-General shall, at least once in each year, report to the Parliamentary Committee the results of the inspection and audit carried out under Subsection (1).

(4) The Auditor-General, or a person authorized by him, is entitled at all reasonable times to full and free access to all accounts, records, documents and papers of the Board relating directly or indirectly to the receipt or payment of moneys by it or to the acquisition, receipt, custody or disposal of assets by it.



(5) The Auditor-General, or a person authorized by him, may take copies of, or extracts from, any accounts, records, documents or papers referred to in Subsection (4).

(6) The Auditor-General, or a person authorized by him, may require any person to furnish him with such information in the possession of that person or to which that person has access as the Auditor-General or authorized person considers necessary for the purposes of the functions of the Auditor-General under this Act, and the person must comply with that requirement.

Penalty: A fine not exceeding K200.00.

(7) This section does not derogate the powers of the Auditor-General under any other Act relating to the public moneys and accounts of the State in respect of accounts and records of the Board.

**PART IV.—CONTRIBUTORS AND CONTRIBUTIONS.**

**18. Members to contribute.**

Each member of the Parliament shall contribute to the Fund, in accordance with this Part, while he remains such a member.

**19. Commencement of contributions.**

(1) Each contributor who is a member of the Parliament at 2 September 1980 shall contribute to the Fund from the date of the return of the writs after the 1982 general election.

(2) Each person who became a contributor after the date referred to in Subsection (1) shall contribute to the Fund from the date on which he became a member of the Parliament.

**20. Amount of contribution.**

A contributor shall contribute to the Fund at the rate of 12% of the salary payable from time to time to an ordinary member of the Parliament.

**21. Deduction of contributions.**

(1) Subject to Subsection (2), contributions payable by a contributor shall be deducted from his salary at the time of each payment of salary.

(2) Where for any reason the whole or any part of a contribution is not deducted from the salary of a contributor in accordance with Subsection (1), the arrears may be paid by the contributor, or may be deducted from any amount subsequently payable to the contributor, in such amounts and during such periods as the Board determines.

**PART V.—PENSIONS AND BENEFITS.**

*Division 1.—Payments to Former Members.*

**22. Payments to Former Members.**

(1) Subject to Subsection (4), there shall be payable, to each Former Member, or to the relative or person in whose favour a determination is made under Section 29 or 30 as the case may be, the sum of K500.00 in respect of each completed year of service as—

- (a) an elected member of the 1961-1964 Legislative Council; and
- (b) a member of the House of Assembly; and
- (c) a member of the Parliament.

(2) Subject to Section 35, an amount payable under Subsection (1) shall be paid on or before 1 February 1983.

(3) The amount referred to in Subsection (1) shall be paid out of Consolidated Revenue which is to the necessary extent appropriated accordingly.

(4) A Former Member who has, prior to the 1982 general election, completed in total at least three terms of—

- (a) the 1961-1964 Legislative Council; and
- (b) the House of Assembly; and
- (c) the Parliament,

and who is not re-elected to the Parliament at the 1982 general election may, at his option, receive—

- (d) the sum payable under Subsection (1); or
- (e) an annual pension for life of—
  - (i) in the case of a Former Member who has completed three but less than four terms—50%; and
  - (ii) in the case of a Former Member who has completed four but less than five terms—60%; and
  - (iii) in the case of a Former Member who has completed five but less than six terms—70%,

of the annual salary payable from time to time to an ordinary member of the Parliament.

*(Amended by No. 15 of 1983, s. 1.)*

*Division 2.—Calculations of Benefits of Members.*

**23. Benefits to contributor failing to complete three years of one term as a member.**

Subject to this Act, where a contributor ceases to be a member of the Parliament before completing—

- (a) one term of the Parliament; or
- (b) a continuous period of three years,

whichever is the shorter period, he is entitled to receive, on ceasing to be a member—

- (c) the amount of his contributions; and
- (d) interest on his contributions calculated as determined by the Board.

**24. Benefits to contributor completing three years or one term as a member.**

Subject to this Act, where a contributor ceases to be a member of the Parliament after completing—

- (a) one term of the Parliament; or
- (b) a continuous period of three years,

whichever is the shorter period, but before completing the period referred to in Section 25, he is entitled to receive, on ceasing to be a member—

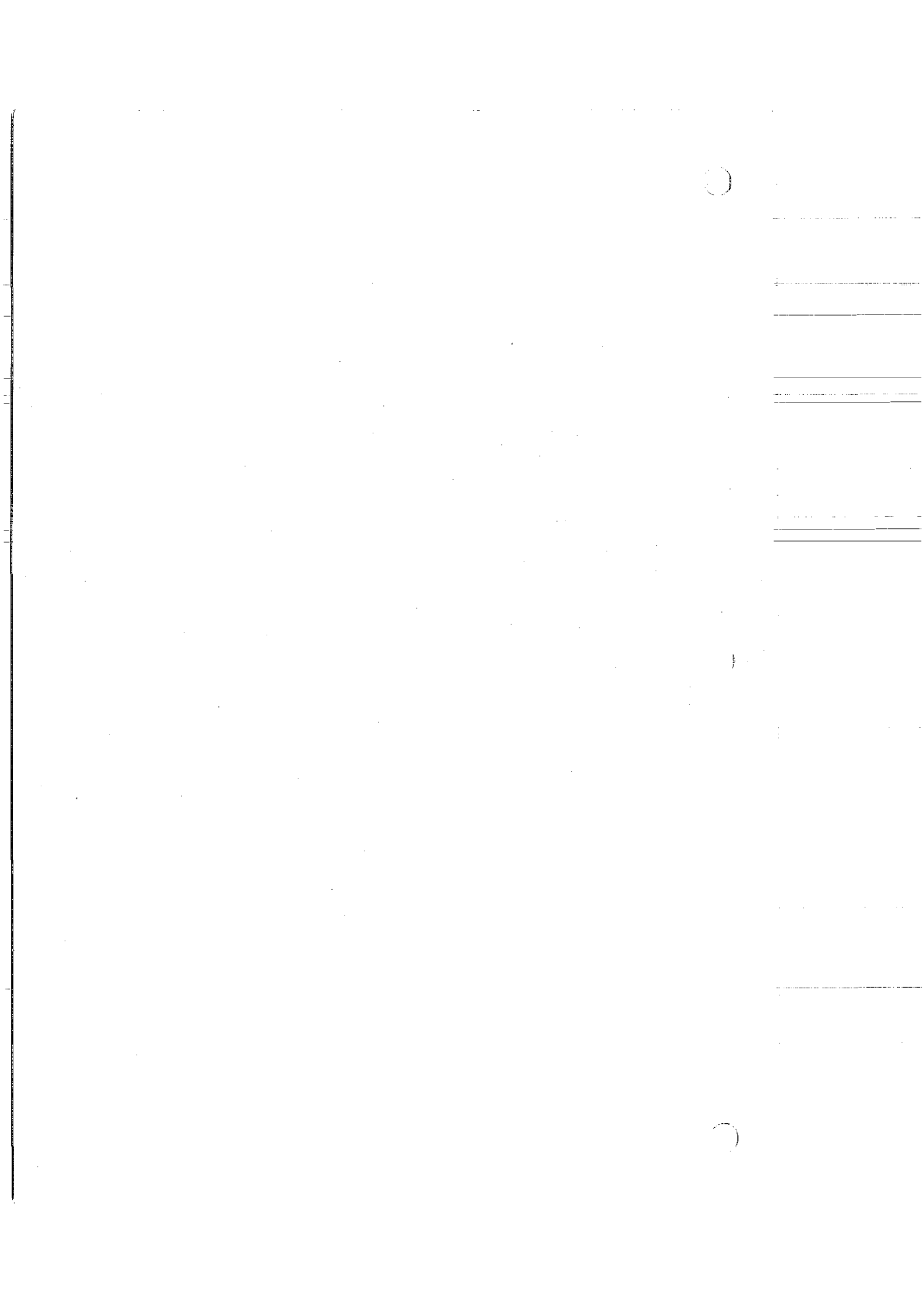
- (c) the amount of his contributions; and
- (d) interest on his contributions calculated as determined by the Board; and

- (e) an amount to be paid by the State equal to 50% of the amount of his contributions.

**25. Benefits to contributor completing two terms as a member.**

Subject to this Act, where a contributor ceases to be a member of the Parliament after completing two consecutive terms of the Parliament, he is entitled to receive, on ceasing to be a member—

- (a) the amount of his contributions; and



- (b) interest on his contributions calculated as determined by the Board; and
- (c) an amount to be paid by the State equal to the amount of his contributions.

**26. Benefits to contributor completing two terms and part of a third term as a member.**

Subject to this Act, where a contributor ceases to be a member of the Parliament after completing two consecutive terms and part of a third consecutive term of the Parliament, he is entitled to receive, on ceasing to be a member—

- (a) the amount of his contributions; and
- (b) interest on his contributions calculated as determined by the Board; and
- (c) an amount to be paid by the State equal to 150% of the amount of his contributions.

**27. Benefits to contributor completing three or more terms.**

Subject to this Act, where a contributor ceases to be a member of the Parliament after completing three or more consecutive terms of the Parliament, he is entitled to receive—

- (a) a payment consisting of—
  - (i) the amount of his contributions; and
  - (ii) interest on his contributions calculated as determined by the Board; and
  - (iii) an amount to be paid by the State equal to 200% of the amount of his contributions; or
- (b) an annual pension for life of—
  - (i) in the case of a member who has completed three but less than four consecutive terms—60%; and
  - (ii) in the case of a member who has completed four but less than five consecutive terms—70%; and
  - (iii) in the case of a member who has completed five but less than six consecutive terms—80%; and
  - (iv) in the case of a member who has completed six or more consecutive terms—90%.

of the annual salary payable from time to time to an ordinary member of the Parliament.

(Amended by No. 15 of 1983, s. 8.)

**28. Retirement or death of a member during a term of the Parliament.**

(1) For the purposes of this Part, where a Former Member died during his membership of the Legislative Council, House of Assembly or the Parliament, he shall be deemed to have completed the remainder of the term during which he died.

(2) For the purposes of this Part, where a member of the Parliament dies, or retires as a member of the Parliament through ill health, he shall be deemed to have completed the remainder of the term of the Parliament during which he died or retired, as the case may be.

(Replaced by No. 15 of 1983, s. 2.)

*Division 3.—Payment of Benefits.*

**29. Benefits payable on death.**

(1) **Where—**

- (a) a contributor dies while the full amount of his contributions remain in the Fund; or

(b) subject to Section 30, a former contributor or a Former Member dies while there is any amount of benefit payable to him remaining in the Fund, the Board shall, in its discretion, determine to which relative of the deceased or to which other person shall be paid the benefit to which the deceased was entitled, or would have been entitled had he survived until the end of the term of the Parliament during which he died.

(2) Where—

(a) a contributor or Former Member referred to in Subsection (1) would have been entitled to elect to receive a pension under Section 22 or 27 had he survived and ceased to be a member of the Parliament; and

(b) the relative or person in whose favour the Board determined under Subsection (1) is a spouse of the deceased,

that spouse may elect to receive a pension, and the pension so payable will be five-eighths of the amount that would have been payable under this Act to the deceased had he survived and ceased to be a member, and is payable during the life of that spouse.

(3) In making a determination under Subsection (1), the Board shall take into consideration, but shall not necessarily be bound by, the customs relating to succession and maintenance of relatives in the area to which the deceased belonged.

*(Replaced by No. 15 of 1983, s. 3.)*

### **30. Death of former contributor or Former Member while in receipt of a pension.**

(1) Where—

(a) a Former Member in receipt of a pension under Section 22(4); or

(b) a former contributor in receipt of a pension under Section 27,

dies, the Board shall in its discretion determine whether there is a spouse of the deceased entitled to maintenance, and if so, that spouse is entitled to receive a life pension amounting to five-eighths of the amount that the deceased was receiving at the time of his death.

(2) In making a determination under Subsection (1), the Board shall take into consideration, but shall not necessarily be bound by, the customs relating to succession and maintenance of spouses in the area to which the deceased belonged.

*(Replaced by No. 15 of 1983, s. 4.)*

31. Power and duties of Public Trustee. (*Repealed by No. 15 of 1983, s. 5.*)

PART VI.—MISCELLANEOUS.

32. Time and manner of payment of pension.

A pension payable under Division V.2 shall be paid at such times and in such manner as is prescribed.

33. Reduction of widow's benefits in certain circumstances.

Where after the death of a contributor, former contributor or Former Member, a relative or other person is entitled to receive a benefit under this Act, the amount of that benefit shall be reduced by the amount of any financial assistance from the State being received or to be received by that relative or other person as the Board thinks fit.

(*Replaced by No. 15 of 1983, s. 6.*)

34. Calculation of period of service.

(1) For the purpose of Division V.1, the period of service of a Former Member shall be the aggregate of the periods he served as—

- (a) an elected member of the 1961-1964 Legislative Council; and
- (b) a member of the former House of Assembly; and
- (c) a member of the Parliament before the 1982 general election.

(2) In calculating the period of membership of the Parliament for the purposes of Division V.2 any period of service as—

- (a) a Former Member; or
- (b) a member of the Parliament in respect of which the full amount of benefit under this Act is left in the Fund,

shall be taken into account and there shall be deemed to have been no break in service between that period and a subsequent period in respect of which the relevant calculation is being made.

(3) For the purposes of Part V, a person who, as a result of a petition to the National Court under Part XVIII of the *Organic Law on National Elections* after a general election, is deemed to have won that general election, is deemed to have been a member of the Parliament from the day after the date fixed for the return of the writs of that general election.

(4) For the purposes of Part V, a person who—

- (a) is a member during three terms of the Parliament; and
- (b) has completed a minimum of 12 years as a member of the Parliament,

is deemed to have completed three terms of the Parliament.

(5) For the purposes of Part V, where at a general election a candidate dies before polling and the date for the election is postponed, the person subsequently elected shall be deemed to have been elected on the day after the date originally fixed for the return of writs in the general election.

(*Amended by No. 15 of 1983, s. 7.*)

**35. Benefits may be left in Fund.**

(1) A Former Member or a person who ceases to be a contributor may elect to leave in the Fund any amount of benefit to which he is entitled under this Act and while that amount remains in the Fund it shall attract interest at the prescribed rate.

(2) An amount of benefit referred to in Subsection (1), and interest accrued on that amount, may be withdrawn at any time by the person entitled to it by his giving to the Board three months written notice of his intention to withdraw the amount.

**36. Regulations.**

The Head of State, acting on advice, may make regulations not inconsistent with this Act, prescribing all matters that by this Act are required or permitted to be prescribed or are necessary or convenient to be prescribed for carrying out or giving effect to this Act, and in particular, for prescribing a rate of interest, not being less than that paid on Government inscribed stock of a two year term, that shall be paid by the Board on contributions of members and benefits of Former Members and former contributors, held in the Fund.



INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER No. 380.

*Parliamentary Members' Retirement Benefits.*

APPENDIX 1.

SOURCE OF PARLIAMENTARY MEMBERS' RETIREMENT BENEFITS ACT.

Part A.—Previous Legislation.

*Parliamentary Members' Retirement Benefits Act 1979 (No.54 of 1979)*

as amended by—

*Parliamentary Members' Retirement Benefits (Amendment) Act 1981 (No.47 of 1981)*

*Parliamentary Members' Retirement Benefits (Amendment) Act 1983 (No. 15 of 1983)<sup>1</sup>.*

Part B.—Cross References.

Section, etc., in Revised Edition.	Previous Reference. <sup>2</sup>	Section, etc., in Revised Edition.	Previous Reference. <sup>2</sup>
1	1	19	20
2	2 (in part), 9	20	21
3	2 (in part)	21	22
4	3	22	23
5	4	23	24
6	5	24	25
7	6, 7	25	26
8	8	26	27
9	10	27	28
10	11	28	29
11	12	29	30
12	13	30	31
13	14	31	32
14	15	32	33
15	16	33	34
16	17	34	35
17	18	35	36
18	19	36	37

<sup>1</sup>Deemed to have come into force on 15 July 1982.

<sup>2</sup>Unless otherwise indicated, references are to the Act set out in Part A.

