



## Parliamentary Superannuation Determination 2003

Pursuant to section 12(1)(ba) of the Remuneration Authority Act 1977, the Remuneration Authority, after consultation with the Government Actuary, makes the following determination (to which is appended an Explanatory memorandum).

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### Determination

#### 1 Title

This determination is the Parliamentary Superannuation Determination 2003.

#### 2 Commencement

This determination comes into force on 1 November 2003.

#### 3 Interpretation

In this determination, unless the context otherwise requires,—

**member** means a member of the House of Representatives; and includes any person who is for the time being receiving a salary fixed by a determination made under section 16 of the Civil List Act 1979

**ordinary member** means a member of the House of Representatives who holds no other office in respect of which a salary is payable under the Civil List Act 1979

**registered superannuation scheme** means any superannuation scheme that is registered under the Superannuation Schemes Act 1989

**salary**, in relation to a member, means the salary payable to that member under the Civil List Act 1979

**year** means—

- (a) a period of 12 months from polling day for the election at which the member is elected or from the day the person is declared to be elected under section 193 of the Electoral Act 1993; and
- (b) a period of 12 months from each anniversary of that date.

#### **4 Entitlement to superannuation subsidy**

A member who is not a contributor under Part VI of the Government Superannuation Fund Act 1956 is entitled to a superannuation subsidy if the member chooses to contribute to a registered superannuation scheme.

#### **5 Maximum amount of superannuation subsidy**

- (1) The maximum amount that in any year may be paid by way of superannuation subsidy in respect of a member is 16% of an ordinary member's salary for the part of the year until 31 October 2003, increasing to 20% of an ordinary member's salary on and after 1 November 2003.
- (2) The maximum amount is inclusive of specified superannuation contribution withholding tax.
- (3) If a member has a period of service as a member that is less than a year, the maximum amount that may be paid by way of superannuation subsidy is 20% of an ordinary member's salary for that period of service.

#### **6 Ratio of subsidy to member's contribution**

The ratio of superannuation subsidy to the member's contribution is 2.5 to 1, so that a member must make a contribution to the registered superannuation scheme of \$1 for every \$2.50 of superannuation subsidy.

**7 Revocation**

The Parliamentary Superannuation Determination 1999 (SR 1999/423) is revoked.

Dated at Wellington this 28th day of October 2003.

H. D. Peacock, Chairman.

B. A. Wakem, Member.

David Oughton, Member.

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**Explanatory memorandum**

*This memorandum is not part of the determination, but is intended to indicate its general effect.*

This determination applies to members of Parliament who are not contributors to the parliamentary superannuation scheme under the Government Superannuation Fund Act 1956 (GSF).

The determination is substantially the same as the Parliamentary Superannuation Determination 1999. That determination provides for a maximum superannuation subsidy of 16% of the salary payable to an ordinary member, subject to a 2:1 ratio of subsidy to contribution.

This determination provides for a maximum superannuation subsidy of 20% of the salary payable to an ordinary member, subject to a 2.5:1 ratio of subsidy to contribution. The rationale is to achieve a more equitable position for members of Parliament who are not members of the parliamentary superannuation scheme under the GSF.

People who became members of Parliament before 1 July 1992 are eligible to remain members of the parliamentary superannuation

scheme under the GSF. The Government Actuary has assessed that the inherent subsidy in the parliamentary superannuation scheme under the GSF is currently 23% gross.

For people who became members of Parliament after 1 July 1992, the available subsidy is currently limited to 16% of the gross salary payable to a backbencher. Parliamentarians do not have any security of tenure. To the contrary, there is a high turnover of members. Recognising the need for parliamentarians to provide for their future and in order to get more equality between the 2 groups, the Authority has raised the available subsidy to post-1992 members to 20% of the gross salary payable to a backbencher.

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This determination is administered in the Remuneration Authority.

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