

THE RETIRING ALLOWANCES (LEGISLATIVE SERVICE) (AMENDMENT) BILL, 2014

Explanatory Note

(These notes form no part of the Bill but are intended only to indicate its general purport)

The purpose of this Bill is to amend the Retiring Allowances (Legislative Service) Act, Chap. 2:03 (hereinafter referred to as ‘the Act’) to provide for an increase in the retiring allowances payable to persons who have served as legislators for various periods, with effect from 1st August, 1976, to provide for the retiring allowances of legislators to be increased simultaneously with increases in the pensionable emoluments of legislators, to provide that the pensionable emoluments of a legislator shall include his housing and transport allowances and to extend the application of the Act to Senators.

Clause 1 provides the short title of the Act for which this is the Bill.

Clause 2 provides the interpretation provision.

Clause 3 seeks to amend section 3 of the Act by inserting the definitions of “amending Act”, “pensionable allowances”, “pensionable emoluments” and “widow”. “Amending Act” would mean the Act for which this is the Bill. “Pensionable allowances” would mean the housing allowance and the transport allowance payable to a legislator. “Pensionable emoluments” would mean salary and pensionable allowances. “Widow” would include widower.

Clause 4 seeks to amend section 5(1)(a) of the Act by reducing the qualifying period of service as a legislator from an aggregate of not less than five years to an aggregate of not less than four years.

Clause 5 seeks to amend section 6 of the Act, which provides for the annual rates for calculating the retiring allowances of legislators. The rate applicable to a person depends on his period of service as a legislator and the amount payable is a fraction of one year’s salary.

Clause 5(a) would replace the word “salary”, wherever it appears in section 6 of the Act, with the words “pensionable emoluments”.

Clause 5(b) would amend section 6(1)(a) of the Act by increasing the retiring allowance payable to a legislator who has served for an aggregate period of not less than four years from one-sixth of one year’s salary to one-third of one year’s pensionable emoluments.

Section 6 (1)(b) of the Act provides for the payment of a retiring allowance equal to one-third of one year’s salary to a legislator who has served for two consecutive full parliamentary terms extending over a period of not less than nine years or for periods amounting in the aggregate to not less than ten years. Clause 5(c) would amend section 6(1)(b) of the Act by reducing the qualifying period of service as a legislator to an aggregate period of not less than eight years and by increasing the rate to one-half of one year’s pensionable emoluments.

Similarly, clause 5(d) would amend section 6(1)(c) of the Act by reducing the qualifying period of service as a legislator from three full parliamentary terms extending over a period of not less than thirteen and a half years or an aggregate period of not less than fifteen years, to an aggregate period of not less than ten years, and by increasing the rate from one-half of one year's salary to six-tenths of one year's pensionable emoluments. Further, clause 5(e) would amend section 6(1)(d) of the Act by reducing the qualifying period of service as a legislator from four full parliamentary terms over a period of not less than eighteen years or an aggregate period of not less than twenty years, to an aggregate period of not less than fifteen years, and by increasing the rate from two-thirds of one year's salary to three-quarters of one year's pensionable emoluments.

Clause 5(f) would amend section 6(1) of the Act by inserting a new paragraph (e) which would provide for the payment of a retiring allowance equal to one year's pensionable emoluments to legislators who have served for an aggregate period of not less than eighteen years.

Clause 5(g) would make the new rates effective in relation to any person serving as a legislator other than in the specified legislative office of Senator, from 1st August 1976 or thereafter.

Clause 5(h) would make the new rates effective in relation to the specified legislative office of Senator, from the commencement of the Retiring Allowances (Legislative Service) (Amendment) Act, 2014 or thereafter.

Clause 5(i) would delete the word "basic" as a consequence of the substitution of the words "pensionable emoluments" for the word "salary".

Clause 6 seeks to insert new sections 6A and 6B after section 6 of the Act. The new section 6A would provide for the pensionable emoluments which form the basis for calculating the retiring allowance of a person to be the same as the salary and pensionable allowances of legislators whenever there is an increase in any such salary or pensionable allowance. The increase in retiring allowances would be simultaneous with the increase in the salary or pensionable allowances of legislators and would only be payable if the recipient of the retiring allowance is still living at the time of the increase. The new section 6B would provide for the payment of a termination benefit equal to one half of one year's pensionable emoluments to a current or future member of the House of Representatives who is not re-elected after the dissolution of Parliament.

Clause 7 seeks to amend section 7(1) of the Act, which provides for the cessation of the payment of retiring allowances to a person who is in receipt of a salary as a Head of Mission or a legislator, by substituting the words "pensionable emoluments" for the word "salary".

Clause 8 of the Bill would amend the Schedule of the Act by making the office of Senator a specified legislative office and thereby including Senators in the definition of legislator.

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Arrangement of Clauses

Clauses

1. Short title
2. Interpretation
3. Section 2 amended
4. Section 5 amended
5. Section 6 amended
6. Sections 6A and 6B inserted
7. Section 7 amended
8. Schedule amended

A BILL

An Act to amend the Retiring Allowances (Legislative Service) Act, Chap. 2:03

- Enactment ENACTED by the Parliament of Trinidad and Tobago as follows:
- Short title 1. This Act may be cited as the Retiring Allowances (Legislative Service) (Amendment) Act, 2014.
- Interpretation
Chap. 2:03 2. In this Act, “the Act” means the Retiring Allowances (Legislative Service) Act.
- Section 2
amended 3. Section 2 of the Act is amended by inserting, in the appropriate alphabetical sequence, the following new definitions:
- “amending Act” means the Retiring Allowances (Legislative Service) (Amendment) Act, 2014;
- “pensionable allowances” means the housing allowance and transport allowance payable to a legislator;
- “pensionable emoluments” means salary and pensionable allowances;
- “widow” includes a widower;”.
- Section 5
amended 4. Section 5 of the Act is amended in subsection (1)(a) by deleting the word “five” and substituting the word “four”.
- Section 6
amended 5. Section 6 of the Act is amended -
- (a) by deleting the word “salary” wherever it appears and substituting the word “pensionable emoluments”;
- (b) in subsection (1)(a)-
- (i) by deleting the word “five” and substituting the word “four”; and
- (ii) by deleting the words “one-sixth” ; and substituting the words “one-third”;
- (c) in subsection (1)(b) –
- (i) by deleting the words “for two consecutive

full parliamentary terms extending over a period of not less than nine years or”;

(ii) by deleting the words “ten years” and substituting the words “eight years”; and

(iii) by deleting the words “one-third” and substituting the words “one-half”;

(d) in subsection (1) (c) –

(i) by deleting the words “for three full parliamentary terms extending over a period of not less than thirteen and a half years or”;

(ii) by deleting the words “fifteen years” and substituting the words “ten years”; and

(iii) by deleting the words “one-half” and substituting the words “six-tenths”;

(e) in subsection (1) (d) –

(i) by deleting the words “for four full parliamentary terms extending over a period of not less than eighteen years or”;

(ii) by deleting the words “twenty years” and substituting the words “fifteen years”; and

(iii) by deleting the words “two-thirds” and substituting the words “three-quarters”;

(f) by inserting after subsection (1)(d) the following new paragraph:

“(e) in the case of a person who has served as a legislator for periods amounting in the aggregate to not less than eighteen years, be at an annual rate equal to one year’s pensionable emoluments of that person;”;

(g) in subsection (1A)-

(i) by deleting the words “(1)(a)” and substituting the word(1)”; and

(ii) by deleting the words “from 21st November 1996” and substituting the words “other than the specified legislative office of Senator, from August 1st, 1976 ”; and

(h) by inserting after subsection (1A) the following new subsection:

“(1B) Subsection (1A) is effective, in relation to the specified legislative office of Senator, from the commencement of the Retiring Allowances (Legislative Service) (Amendment) Act, 2014 or thereafter.”;

(i) in subsection (2) by deleting the word “basic”.

Sections 6A
and 6B
inserted

6. The Act is amended inserting after section 6 the following new sections:

*“Adjustment
of allowance*

6A.(1) Notwithstanding section 6(1) and (2), whenever the salary or pensionable allowances of legislators are increased, the pensionable emoluments of a person who qualifies to be paid a retiring allowance under section 5, if he is still living on the date on which such an increase takes effect, are deemed as from that date to be the same as those payable to a legislator occupying the highest paid office held at any time by such a person as a legislator and the retiring allowance of such a person shall be adjusted accordingly as from that date.

(2) Subject to subsection (1) and notwithstanding section 6(1) and (2), a person who is qualified to be paid a retiring allowance under section 5 before the commencement of the amending Act and who is alive at the commencement of the amending Act, is entitled to have his retiring allowances computed and adjusted as from that date by taking into account in determining his pensionable emoluments –

(a) the definition of “pensionable emoluments” as set out in section 2; and

(b) any increase in the salary or pensionable allowances of legislators that took effect after his retirement.

*Termination
benefit*

6B.(1) Every person who –

- (a) at the commencement of the amending Act, is a member of the House of Representatives; or
- (b) after the commencement of the amending Act, becomes a member of the House of Representatives,

and who ceases to be a member of the House of Representatives in accordance with section 5(3), shall be paid a termination benefit equal to one half of one year's pensionable emoluments calculated in accordance with section 6(2).".

Section 7
amended

7. Section 7(1) of the Act is amended by deleting the word "salary" in both places where it occurs and substituting the words "pensionable emoluments".

Schedule
amended

8. The Schedule of the Act is amended by inserting after the words "Leader of the Opposition" the words "Senator.".

Passed by the House of Representative this day of , 2014

Clerk of the House

I confirm the above and certify that this is a Money Bill.

Speaker

Passed by the Senate this day of , 2014.

Clerk of the Senate

I confirm the above.

President of the Senate