

SAMOA

**PARLIAMENTARY PENSION
SCHEME REGULATIONS 2010**

Arrangement of Provisions

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PURSUANT to section 23 of the Parliamentary Pension Scheme Act 1998, **I, TUI ATUA TUPUA TAMASESE EFI**, Head of State, acting on the advice of Cabinet, **MAKE** the following Regulations:

DATED this 28th day of September 2010.

signed: (Tui Atua Tupua Tamasese Efi)
HEAD OF STATE

REGULATIONS

1. Short title and commencement-(1) These Regulations may be cited as the Parliamentary Pension Scheme Regulations 2010.

(2) These Regulations commence on the date the Parliamentary Pension Scheme Amendment Act 2010 comes into force.

2. Interpretation-(1) In these Regulations, unless the context otherwise requires:

“Act” means the Parliamentary Pension Scheme Act 1998.

(2) Words and phrases have the same meaning in these Regulations as they have in the Act.

3. Authority for additional investment - The Minister may authorise the Board to invest in any specific investment or class of investment in addition to those in section 19 of the Act.

4. Actuarial surveys-(1) For the purposes of exercising its powers under section 5 of the Act and making a determination under section 17(1), the Board shall require the Scheme actuary to carry out an actuarial survey at intervals of not more than three (3) years.

(2) The actuarial survey is additional to the advice from the Scheme actuary required under section 17(1) and shall include an examination of the operation of the Scheme, including a study of the rates of mortality, disability, and retirement, and of other essential factors relating to the operations of the Scheme, and shall also provide for a verification or redetermination of the rates of contributions by the government.

(3) At least once in each three (3) year period between surveys, the Board is to require an actuarial valuation of the Scheme to be made showing the status of the Scheme and providing verification or a redetermination of the rates of contributions required by the government under section 17.

(4) The Board shall provide the advice under section 17(1), the actuarial survey under subregulation (2) and the valuation under subregulation (3) to the Minister.

5. Plan - The Plan in the Schedule replaces any pension plan adopted or amended by the Board prior to the commencement of the Parliamentary Pension Scheme Amendment Act 2010.

SCHEDULE

Pension Plan

Regulation 5

1. Application-(1) This Plan applies from 1 February 2006.

(2) Members' entitlements in respect of membership prior to the dissolution of the Legislative Assembly in December 2005 shall be determined in accordance with the Plan (and any rules) approved by the Board in force immediately prior to that dissolution, including the period of qualification as a past member for a retirement benefit.

2. Contributions-(1) Each member shall contribute 10% of his or her salary to the Scheme.

(2) Each member's contribution shall be split within the Scheme; one-half going into each of two (2) accounts in respect of the member: a Savings Account and a Retirement Account and interest shall be credited to these accounts.

3. Eligibility for a Retirement Pension-(1) For a member to be eligible to receive entitlements to a retirement pension under the Scheme, in addition to making contributions, a member shall have completed two (2) full parliamentary terms or 10 years of parliamentary service; and, subject to subclause (2), shall have reached retirement age.

(2) If a retired member under retirement age becomes totally and permanently disabled, that member is eligible for payment of a retirement pension from the date of that disability.

4. Retirement Pension-(1) Subject to this Plan, a member eligible for a retirement pension under clause 3 shall be paid a pension for life on ceasing to be a Member of Parliament or on retirement from Parliament, whichever occurs later.

(2) Where a member is under the retirement age when he or she ceases parliamentary service, payment of the pension commences on the member attaining 65 years.

(3) The pension payable shall be equal to an amount of 1.5% of Adjusted Final Average Salary for each year of membership commencing with the 2006 year, subject to a maximum pension of 50% of Adjusted Final Average Salary.

(4) For the purpose of the Plan:

“Adjusted Final Average Salary” means a member’s average salary over the three (3) years prior to retirement, adjusted to reflect the current final average salary for each position held, and weighted in proportion to the time each position held.

Example: If a member spent 10 years as an ordinary Member of Parliament and 10 years as a Minister the adjusted figure would allow for the salaries of these positions, as follows (using nominal salaries):

- final average salary of an ordinary Member of Parliament \$68,000
- final average salary of a Minister \$112,000
- Adjusted Final Average Salary of this member
 $\$68,000 \times 10/20 + \$112,000 \times 10/20 = \$90,000$

5. Spouse’s pension on death of member-(1) The spouse of a member or retired member is to be paid one of the following pensions on the death of a member or retired member eligible for a retirement pension:

- (a) where the retired member was receiving a retirement pension, the former spouse shall receive a pension equal to 50% of the retired member’s pension;
- (b) where the member was under the retirement age at the date of his or her death, the former spouse of the retired member shall receive a pension equal

to 50% of the member's deferred pension, which shall commence immediately on the member's death;

(c) where a current Member of Parliament was eligible under clause 3, the surviving spouse shall receive a pension equal to 50% of the pension the member would have received if he or she had retired as at the date of death, and the pension shall commence immediately on the member's death.

(2) A spouse's pension under subclause (1) ceases on remarriage or after 10 years, whichever occurs first.

(3) On cessation of the spouse's pension any balance in an account of the member or retired member is to be paid to the next of kin of that member or retired member.

6. Withdrawals from Accounts while in Service-(1) Not more frequently than twice in any plan year, and in accordance with Board policy, a member may elect to receive all or part of the balance in the member's Savings Account as a lump sum.

(2) If a Member of Parliament is aged 55 or more and has completed at least two (2) full parliamentary terms or 10 years' parliamentary service, the Member of Parliament may elect to receive all or part of the balance in his or her Retirement Account as a lump sum.

(3) If, under subclause (2), the Member of Parliament elects not to receive the full balance, the credit remaining will be transferred to his or her Savings Account.

(4) Where a benefit under subclause (2) is received, the Member of Parliament is not eligible to elect to receive a further benefit from his or her Retirement Account for five (5) years, unless his or her parliamentary service ceases.

7. Benefits on Death in Service-(1) If a member dies while a Member of Parliament, the benefits payable by the Scheme are:

(a) an amount of money equal to the sum of the balances of the member's Savings Account and Retirement Account; and

(b) a lump sum payment of \$10,000; and -

(i) if the member would have been eligible to receive a retirement pension if he or she had retired, rather than died, on the date of the member's death, a spouse's pension under clause 5(b) or (c); or

(ii) if the member would not have been eligible to receive a retirement pension, a lump sum equal to twice the member's Retirement Account balance.

(2) Lump sum benefits payable on death are payable to the member's nominee, or if there is no nominee, to a surviving spouse of the member, or if there is no spouse, to the member's next of kin.

8. Lump Sums on ceasing to be a Member of Parliament-(1) Where a member who is eligible for a retirement pension under clause 3 ceases parliamentary service and clause 7 does not apply, the member is entitled to receive a lump sum equal to the sum of the balances in the member's Savings Account and Retirement Account.

(2) On the cessation of parliamentary service of a member who is not eligible for a retirement pension, a lump sum is payable consisting of an amount equal to the sum of the balances in the member's Savings Account and Retirement Account together with an amount equal to three (3) times the balance in the member's Retirement Account.

(3) Where the member ceases parliamentary service aged 55 years or more, the lump sum is payable to the member.

(4) Where the member ceases parliamentary service under aged 55 years, that part of the benefit relating to the Savings Account is payable to the member, but the part relating to the Retirement Account is transferred to the member's credit in the Samoa National Provident Fund.

9. Treatment of breaks in membership - Where a member is re-elected to Parliament after a period of absence and:

- (a) the re-elected member is in receipt of a retirement pension, the pension ceases and upon subsequent retirement, the member is entitled to a recalculated retirement pension which takes into account the additional period of membership and uses a reassessed Adjusted Final Average Salary;
- (b) the re-elected member is under the retirement age and entitled to a retirement pension commencing at a later date, upon subsequent retirement the member is entitled to a recalculated retirement pension which takes into account the additional period of membership and uses a reassessed Adjusted Final Average Salary;
- (c) the re-elected member did not previously qualify for a retirement pension, the member may either -
 - (i) pay to the Scheme, directly or by transfer from the Samoa National Provident Fund, an amount equal to that part of the previous benefit deemed by the Scheme to arise from the Government subsidy plus interest, and the previous period of membership shall be included in determining any benefit entitlement; or
 - (ii) not make a payment under subparagraph (i) and any period of parliamentary service prior to the member's re-election shall not be included in determining benefit entitlements.

Issued under the authority of the Regulations Ordinance 1953.

Date of Commencement: These Regulations commence on the date the Parliamentary Pension Scheme Amendment Act 2010 comes into force.

These Regulations are administered by the National Provident Fund.

Copies of these Regulations can be purchased from the Office of the Clerk of the Legislative Assembly.

**Printed by the Clerk of the Legislative Assembly,
by authority of the Legislative Assembly.**