



PRIME MINISTER

FOR MEDIA

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During the election campaign I promised to institute a review of the Parliamentary Contributory Superannuation Scheme.

In particular, the review considered limiting the commutation of benefits to a lump sum payment.

Restrictions on payment of benefits where beneficiaries were in receipt of Government salaries or payments were also examined.

The review recognised the concern expressed about the level of some lump sum payments and the potential for larger payments in the future.

As a result of the review, Cabinet will soon consider a submission to amend the Parliamentary Contributory Superannuation Act so that:

- (a) commutation of the pension to a lump sum payment will be limited to no more than 50% of the parliamentary pension;
- (b) where a member who has commuted part of his or her pension dies, the spouse's annuity will be related to the residual pension and not the pension that would have been payable had the member not commuted;
- (c) the pension or annuity payable to a member or spouse will be reduced by any salary he or she receives as the holder of an office of profit under the Crown (including an office with the Commonwealth, a State or Local Government or any authority or agency of those governments) or pension or spouse's annuity arising therefrom; in this context, the member or spouse will be required to give notice of taking up, or intending to take up, any office of profit under the Crown; and
- (d) a member who opts to commute part of the pension will be prevented from accepting an office of profit under the Crown for a specified period.

After Cabinet has considered the amendments, it is probable that they will be introduced in the May sittings.

The changes will only apply to M.P.'s retiring from Parliament after the date of the proclamation.