

**RESPONSE BY DEPUTY PRIME MINISTER TEO CHEE HEAN AND MINISTER IN CHARGE OF THE  
CIVIL SERVICE TO MP'S SPEECHES**

**PARLIAMENTARY PENSIONS (ABOLITION) BILL 2012  
MONDAY, 10 SEPTEMBER 2012**

Mr Speaker, Sir, first of all I would like to thank Mr Christopher de Souza and Mr R Dhinakaran for speaking in support of this Bill.

2. Now, on the specific matters that Mr Dhinakaran spoke on, perhaps I could respond. Mr Dhinakaran suggested that the minimum periods of reckonable service be made uniform for both office holders and MPs and set at either 8 or 9 years. Sir, his proposal, while there are some merits from an equity point of view, actually will have no practical effect now, or in the future, because only MPs who were elected before 1 January 1995 are eligible for a pension, that is, those who started service 17 years ago, and that far exceeds the minimum period required for eligibility for pension. So all of such MPs who are still serving today would already have exceeded the current minimum reckonable service required for a pension and hence Mr Dhinakaran's proposal to shorten the minimum required service period to be eligible for pension would have no practical effect on any MP now or in the future.

3. I also mentioned in my speech earlier that there is no minimum period of service for the payment of the death gratuity. So Mr Dhinakaran need have no concerns about that.

4. Mr Dhinakaran also suggested that the provision that allows for death gratuity to be transferred to satisfy a court order for the payment of maintenance of a minor child, whether legitimate or not, be changed to exclude illegitimate children. This clause is part of the existing death gratuity provision in the PPA. This is because section 68 of the Women's Charter imposes an obligation on a parent to maintain or contribute to the maintenance of his/her child whether legitimate or not, and section 69 of the Women's Charter further provides for a court order to be obtained to enforce this obligation. Hence, the PPA allows for such a provision to be put into force, should a court so order.

5. Finally, Mr Dhinakaran also called for the removal of the discretion by the President to transfer the pension of a MP or office holder who has been imprisoned for corruption, to his family where the pension has been withheld or reinstate the withheld pension to the person after his imprisonment. Sir, I wholeheartedly agree with Mr Dhinakaran that there is no tolerance for corruption in this country. This is why in 1975 the PPA was amended to provide the President with the discretion to decide whether the whole or part of any pension should be withheld for any office holder or MP convicted under the Prevention of Corruption Act or of any crime involving corruption under any other written law, even if he has only been fined and not imprisoned.

Prior to that, under the Pensions Act, the pension gratuity could only be withdrawn in the event of imprisonment or the death penalty.

6. As for the part of this provision which allows for possible transfer or reinstatement, it is entirely a matter of discretion whether any such transfer or reinstatement should be made, and it is not automatic. This is the same approach as a similar provision for civil servants in the Pensions Act and is meant to provide discretion during circumstances when transfer or reinstatement may be warranted. Thus far, there have been no cases that have warranted the exercise of this discretion under the PPA.

7. Once again, Sir, I thank Mr de Souza and Mr Dhinakaran for their support for the Bill and for upholding the very important principles that underline this Bill.