



Remuneration Authority (Members of Parliament Remuneration) Amendment Act 2015

Public Act 2015 No 5
Date of assent 19 March 2015
Commencement see section 2

Contents

| | Page |
|---|------|
| 1 Title | 2 |
| 2 Commencement | 2 |
| Part 1 | |
| Amendments to Remuneration Authority Act 1977 | |
| 3 Principal Act | 2 |
| 4 New section 3A inserted (Transitional, savings, and related provisions) | 2 |
| 3A Transitional, savings, and related provisions | 2 |
| 5 Section 18 amended (Criteria of Authority) | 2 |
| 6 Section 18A amended (Countervailing economic conditions) | 3 |
| 7 New section 18B inserted (Fixing salaries of members of Parliament) | 3 |
| 18B Fixing salaries of members of Parliament | 3 |
| 8 Section 19 amended (Frequency of adjustments) | 5 |
| 9 New Schedule 1AA inserted | 5 |

| | | |
|---|---------------------------------|---|
| Part 2 | | |
| Amendments to Members of Parliament (Remuneration and Services) Act 2013 | | |
| 10 | Principal Act | 5 |
| 11 | Section 16 amended (Principles) | 5 |
| Schedule | | |
| New Schedule 1AA inserted | | |

The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Remuneration Authority (Members of Parliament Remuneration) Amendment Act 2015.
- 2 Commencement**
This Act comes into force on the day after the date on which it receives the Royal assent.

Part 1
**Amendments to Remuneration Authority
Act 1977**

- 3 Principal Act**
This Part amends the Remuneration Authority Act 1977 (the **principal Act**).
- 4 New section 3A inserted (Transitional, savings, and related provisions)**
After section 3, insert:
“**3A Transitional, savings, and related provisions**
The transitional, savings, and related provisions set out in Schedule 1AA have effect according to their terms.”
- 5 Section 18 amended (Criteria of Authority)**
After section 18(2), insert:
“(3) This section—

“(a) applies to the Authority when determining the allowances of members of Parliament under section 12(1)(a)(i); but

“(b) does not apply to the Authority when determining the salaries of members of Parliament under section 12(1)(a)(i).”

6 Section 18A amended (Countervailing economic conditions)

After section 18A(4), insert:

“(5) This section—

“(a) applies to the Authority when determining the allowances of members of Parliament under section 12(1)(a)(i); but

“(b) does not apply to the Authority when determining the salaries of members of Parliament under section 12(1)(a)(i).”

7 New section 18B inserted (Fixing salaries of members of Parliament)

After section 18A, insert:

“18B Fixing salaries of members of Parliament

“(1) For the purpose of any determination under section 12(1)(a)(i), the Authority must fix the salaries of members of Parliament in accordance with this section.

“(2) A salary rate for a 12-month period from 1 July to 30 June (the **relevant 12-month period**) must be fixed so that—

$$S_r + Su_r = (S_p + Su_p) \times (a \div b) - P_r$$

where—

S_r is the salary rate for the relevant 12-month period

Su_r is the amount of the superannuation subsidy that will be payable (in accordance with the determination made under section 12(1)(b) and (ba)) in the relevant 12-month period

S_p is the salary rate for the 12-month period immediately before the relevant 12-month period (the **previous 12-month period**)

- Su_p is the amount of the superannuation subsidy that was payable (in accordance with the determination made under section 12(1)(b) and (ba)) in the previous 12-month period
- a is the average ordinary time weekly earnings for FTE employees in the public sector as determined by the Quarterly Employment Survey for each of the 4 quarters of the previous 12-month period, added together and divided by 4
- b is the average ordinary time weekly earnings for FTE employees in the public sector as determined by the Quarterly Employment Survey for each of the 4 quarters of the 12-month period immediately before the 12-month period referred to in item a, added together and divided by 4
- P_r is the amount of any change in the personal benefit or potential personal benefit that the Authority is required to take into account under section 16(2)(b) of the Members of Parliament (Remuneration and Services) Act 2013.

“(3) In subsection (2),—

“**FTE** means full-time equivalent as used in the Quarterly Employment Survey, being a measure of hours of work per week

“**Quarterly Employment Survey** means the Quarterly Employment Survey published by Statistics New Zealand or, if that survey ceases to be published, any measure certified by the Government Statistician as being equivalent to that survey.

“(4) For the purposes of applying the formula in subsection (2), the number resulting from dividing variable a by variable b must be rounded up or down to 4 decimal places (with 0.00005 or greater being rounded up).

“(5) If the result of the calculation $a \div b$, as those variables are defined in subsection (2), is less than 1, the Authority must fix the rates of salaries for the relevant 12-month period as if the result of the calculation $a \div b$ were equal to 1.

“(6) Nothing in subsection (5) limits section 24.

“(7) If the Authority is fixing a salary rate for the first time for a position for which there is no previous determination, the Au-

thority must fix the rate consistently with a comparable position or positions for members of Parliament.”

8 Section 19 amended (Frequency of adjustments)

Replace section 19(5) with:

- “(5) Notwithstanding any term included in any determination, the Authority must review and issue a determination for each position that is subject to its jurisdiction,—
- “(a) in the case of the salaries of members of Parliament, at intervals of not more than 12 months in respect of each period of 12 months ending on 30 June; and
 - “(b) in the case of the allowances of members of Parliament, at intervals of not more than 3 years; and
 - “(c) in any other case, at intervals of not more than 3 years.”

9 New Schedule 1AA inserted

Insert the Schedule 1AA set out in the Schedule of this Act as the first schedule to appear after the last section of the principal Act.

Part 2

**Amendments to Members of Parliament
(Remuneration and Services) Act 2013**

10 Principal Act

This Part amends the Members of Parliament (Remuneration and Services) Act 2013 (the **principal Act**).

11 Section 16 amended (Principles)

- (1) Replace section 16(1)(c) with:
- “(c) that, if changes to services provided increase or decrease any element of remuneration or other private benefit, the value of that increase or decrease should be taken into account by the Remuneration Authority in determining salaries under Part 2:”.
- (2) After section 16(2)(a)(ii), insert:

**Remuneration Authority (Members
of Parliament Remuneration)
Amendment Act 2015**

Part 2 s 11

2015 No 5

“(iii) include in the determination or direction a statement of the value assessed under subparagraph (ii); and”.

(3) Replace section 16(2)(b) and (c) with:

“(b) when fixing salaries for a relevant 12-month period (as that term is defined in section 18B(2) of the Remuneration Authority Act 1977), the Remuneration Authority must take into account only the value of any change in personal benefit or potential personal benefit that has arisen because of a change in entitlements compared with entitlements included in the previous determination or direction; and

“(c) the Remuneration Authority must include in its determination of the salaries and allowances under section 8 a statement that sets out how it has taken values assessed under this subsection into account in determining salaries.”

Schedule s 9

New Schedule 1AA inserted

Schedule 1AA s 3A

Transitional, savings, and related provisions

Part 1

Provisions relating to Remuneration
Authority (Members of Parliament
Remuneration) Amendment Act 2015

- 1 Parliamentary Salaries and Allowances Determination 2015 has no effect in relation to salaries**
Clause 5 and Schedule 1 of the Parliamentary Salaries and Allowances Determination 2015—
- (a) are deemed not to have come into force on the date specified in clause 2 of that determination; and
 - (b) are revoked.
- 2 Parliamentary Salaries and Allowances Determination 2013 has effect in relation to salaries**
- (1) Clause 5 and Schedule 1 of the Parliamentary Salaries and Allowances Determination 2013 (the **determination**)—
 - (a) are deemed to have continued to have effect on and from 1 July 2014; and
 - (b) continue to apply as if the expiry date specified in clause 3 of the determination were 30 June 2015.
 - (2) For the purposes of section 69(2) of the Members of Parliament (Remuneration and Services) Act 2013, clause 5 and Schedule 1 of the determination are deemed not to have been superseded by the Parliamentary Salaries and Allowances Determination 2015.
- 3 No acts or omissions unlawful**
- (1) No act done in accordance with the Parliamentary Salaries and Allowances Determination 2015 (the **determination**) is unlawful solely because of the revocation of clause 5 and Schedule 1 of the determination.

Schedule 1AA—*continued*
Part 1—*continued*

- (2) No omission to act in accordance with any provision of the determination before the date of the revocation of clause 5 and Schedule 1 of the determination is unlawful.

4 Authority to make new determination in relation to salaries

- (1) The Authority must make a determination of salary rates for members of Parliament for the period 1 July 2014 to 30 June 2015.
- (2) The determination must be made in accordance with this Act and the Members of Parliament (Remuneration and Services) Act 2013, as amended by the Remuneration Authority (Members of Parliament Remuneration) Amendment Act 2015.
- (3) For the purposes of section 18B(2), the salary rates for the previous 12-month period (as defined in that section) are those in Schedule 1 of the Parliamentary Salaries and Allowances Determination 2013.
- (4) To avoid doubt, the determination required by subclause (1) may be made before or after 30 June 2015 and with effect for the period described in subclause (1), despite the expiry date specified in clause 2(1)(b) and the requirement in section 19(2) that a determination must continue in force at least until the close of its expiry date.
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Legislative history

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| 17 March 2015 | Introduction (Bill 10–1), first reading, second reading, committee of the whole House, third reading |
| 19 March 2015 | Royal assent |

This Act is administered by the Ministry of Business, Innovation, and Employment.
