



## REPUBLIC OF NAURU

### PARLIAMENTARY SUPERANNUATION ACT, 1991

(No 5 of 1991)

#### ARRANGEMENT OF SECTIONS

Section

#### PART I - PRELIMINARY

1. Short Title
2. Interpretation

#### PART II - ADMINISTRATION

##### DIVISION 1 - THE NAURU PARLIAMENTARY SUPERANNUATION FUND

3. The Nauru Parliamentary Superannuation Fund
4. Provision of Staff
5. Investment of Moneys
6. Bank Accounts
7. Authorised Investments
8. Powers of the Trust
9. Limitation of Powers
10. Accounts and Audit
11. Actuarial Investigation
12. Payment by the Republic

##### DIVISION 2 - THE TRUST

13. Establishment of the Trust
14. Constitution of the Trust
15. Vacancies
16. Functions and Duties of the Trust
17. Meetings
18. Delegation

#### PART III - CONTRIBUTIONS

19. Non-contribution by Members
20. Contribution by the Republic

#### PART IV - PENSIONS AND BENEFITS

21. Interpretation
22. Pensions to Members of Parliament
23. Resignation due to Ill-health
24. Pension Benefits to Widows and Dependent Issue

#### PART V - MISCELLANEOUS

25. Former Member Entitled to Benefits
26. Pension to Cease on Re-election
27. Regulations

#### SCHEDULE

**REPUBLIC OF NAURU**

No . 5 of 1991

FOR  
AN ACT

To establish a Superannuation Scheme for Members of the  
Parliament and for related purposes

(Certified: 27th June, 1991 )

Enacted by the Parliament of Nauru as follows: -

**PART I - PRELIMINARY**

1. This Act may be cited as the Parliamentary Superannuation Act 1991.

**INTERPRETATION**

2. In this Act unless the contrary intention appears:-

"Additional Salary" means the salary or allowance, other than basic allowance payable to a member, in accordance with the Parliamentary Salaries and Allowances Act by virtue of his holding the office of the President or Speaker or Deputy Speaker or Minister but does not include any entertainment or other allowance, (by whatever name called);

"Basic Salary" means the allowance payable to a member as member in accordance with the Parliamentary Salaries and Allowances Act but does not include any entertainment or other allowance, (by whatever name called);

"Fund" means the Nauru Parliamentary Superannuation Fund established by this Act;

"member" means a member of the Parliament;

"Minister" means the Minister responsible for the administration of this Act;

"Parliamentary Salaries and Allowances Act" means the Act under that name as is, has been and shall be in force from time to time or such other Act having the same objectives howsoever called;

"period of service" means the time from when a member is declared to be elected a Member of Parliament until the time he ceases to be a member;

(4) Where the actuary appointed by the Trust to make an investigation of the Fund is of the opinion that an interim advance to the Fund should be made to enable current liabilities of the Fund to be paid before any of the annual amounts certified or to be certified in accordance with the sub-section (3) are payable, he may, at any time before the appointment of the next actuary, to make succeeding investigation of the Fund, certify to the Minister the amounts that, in his opinion, should be paid into the Fund by way of interim advance .

(5) If the actuary upon completion of an investigation determines that there are moneys of the Fund in excess of those required to meet its current liabilities or its liabilities in the succeeding three years taking into account the continued contributions of the Republic, the actuary may recommend the distribution of all or part of such excess or the variation of benefits for members or the reduction of contributions or a combination thereof.

#### PAYMENT BY THE REPUBLIC

12. (1) The Republic shall pay into the Fund the annual amounts from time to time certified in accordance with sub-section (3) of Section 11 and the interim advances certified in accordance with sub-section (4) of that Section.

(2) Any payment to be made under this Act by the Republic into the Fund shall be a charge on the Treasury Fund.

#### DIVISION 2 - THE TRUST

##### ESTABLISHMENT OF THE TRUST

13. (1) A Trust is hereby established to be known as the Nauru Parliamentary Superannuation Trust.

(2) The Trust -

(a) is a body corporate with perpetual succession;

(b) shall have a common seal; and

(c) is capable, in its corporate name, of acquiring, holding and disposing of real and personal property and of suing and being sued.

(3) All courts, judges and persons acting judicially shall take judicial notice of the common seal of the Trust affixed to a document and shall presume that it was duly affixed.

"Trust" means the Nauru Parliamentary Superannuation Trust established by this Act;

"Trustee" means a Trustee of the Trust.

## PART II - ADMINISTRATION

### DIVISION 1 - THE NAURU PARLIAMENTARY SUPERANNUATION FUND

#### THE NAURU PARLIAMENTARY SUPERANNUATION FUND

3. (1) There is hereby established a fund by the name of the Nauru Parliamentary Superannuation Fund.

(2) The Fund consists of -

(a) moneys paid to the Fund by the Republic; and

(b) interest and other income (including accretions to capital) earned by investment of moneys of the Fund.

(3) The Fund shall be vested in, and managed by the Trust as trustee for the members in accordance with this Act.

#### PROVISION OF STAFF

4. The Minister responsible for Public Service shall, if so requested by the Trust, make available to the Trust, upon reasonable terms and conditions, the services of such employees and officers of the Public Service within the meaning of the Public Service Act, or make such other arrangements of staff for the purpose of assisting it in the exercise of its powers and functions under this Act as he considers necessary or expedient.

#### INVESTMENT OF MONEYS

5. (1) Property held by the Trust for a fund shall be held in the name of the Trust unless the Trust designates an authorised person to hold such property in the name of that authorised person.

(2) For the purposes of performing its functions under this Act the Trust has the powers conferred upon it by this Act and such other powers as may be necessary to enable it to perform its functions.

**BANK ACCOUNTS**

6. (1) The Trust must open and maintain bank accounts for the purpose of receiving and paying moneys of the Fund in accordance with the provisions of this Act.

(2) Any money payable to the Fund shall if paid into a bank account opened in accordance with the preceding sub-section be deemed to have been paid to the Fund.

**AUTHORISED INVESTMENTS**

7. The moneys of the Fund must be invested by the Trust in one or more of the following, which are declared to be authorised investments:

(a) deposits in the Bank of Nauru or such other bank or banks as are approved by the Minister as authorised Banks for the purpose of this paragraph;

(b) securities of the government of any country or of any statutory, semi-governmental, or other public authority of a country or any political sub-division thereof other than those of any country notified by the Minister to the Trust.

(c) stocks, shares, debentures, notes or other securities issued by companies listed on the stock exchanges of Australia, London, Paris, New York, Tokyo or Hong Kong and any other approved by the Minister;

(d) real property in any place other than a place notified by the Minister to the Trust;

(e) mortgage loans secured by first mortgage of real property provided that the principal moneys secured do not exceed two-thirds of the sworn valuation of the property at the time of lending;

(f) units in units trusts (including cash management trusts) approved by the Minister;

(g) expenditure in the improvement, maintenance or repair of any property of the Trust;

(h) foreign exchange contracts of a class approved by the Minister;

(i) such other investments as Cabinet may, at the request of the Trust, approve.

## POWERS OF THE TRUST

8. (1) The Trust has the power and is required to:
- (a) Manage the Fund for the benefit of the beneficiaries of the Fund;
  - (b) Itself or by its agents, manage and supervise all land and real estate investments and personal property investments of the Fund and without limiting the generality of the foregoing to ensure that:-
    - (i) all land and real estate investments and personal property investments are kept in good repair;
    - (ii) all requirements of proper and competent authorities are complied with;
    - (iii) they are utilized and otherwise dealt with to best advantage;
    - (iv) all rights and remedies of the Trust with respect to any investment are enforced and all obligations are fulfilled;
    - (v) all property, real and personal, of the Trust is properly and adequately insured;
  - (c) employ staff, and engage advisers, experts consultants, agents and other persons upon such terms and conditions (including remuneration) as it considers fit for the purpose of enabling it to exercise its powers and perform its functions under this Act, and including the power to establish and pay moneys into a superannuation scheme or schemes for the benefit of employees.
- 2) The Trust has power, within any limits prescribed by Cabinet, to
- (a) mortgage, charge or otherwise encumber real and personal property;
  - (b) appoint persons or corporations to manage monies of a fund in any part of the world provided that no such person or corporation shall manage an amount that exceeds such percentage of the value of the fund as shall be prescribed by Cabinet;

(c) appoint depositaries or nominees to hold property on behalf of the Trust either in the name of the nominee, depositary or Trust;

#### LIMITATION OF POWERS

9. Notwithstanding anything to the contrary in this Part, Cabinet may, by direction to the Trust, limit the amount of money the Trust may invest

(a) in any class of property, or in any particular property; or

(b) in any country.

#### ACCOUNTS AND AUDIT

10. (1) The Trust shall keep complete and proper accounts of the financial transactions of the Trust.

(2) In each financial year the accounts of the Trust shall be audited by an auditor appointed by the Trust with the prior approval of Cabinet and a copy of the accounts, together with a report of the Trustees and the auditor thereon shall be forwarded to the Minister who shall, within three sitting days of the Parliament after they are received by him, cause them to be tabled in the Parliament.

#### ACTUARIAL INVESTIGATION

11. (1) An investigation as to the state and sufficiency of the Fund shall be made as at 30th June next following after the coming into force of this Act and at the expiration of each period of three years thereafter.

(2) The investigation referred to in sub-section (1) shall be made by an actuary appointed by the Trust with the prior approval of the Minister.

(3) When the actuary has completed an investigation of the Fund under this Section, he shall report to the Trust the result of his investigation and certify to the Minister, the amount (if any) that, in addition to any moneys payable into the Fund (including any interim advances paid into the Fund before the completion of the investigation, or certified and to be paid into the Fund as provided under sub-section (4) are required, in his opinion, to be paid into the Fund in respect of each financial year during the next three years following the completion of that investigation to enable the Fund to meet its liabilities.

## CONSTITUTION OF THE TRUST

14. (1) The Trust shall consist of three Trustees two of whom shall be appointed by the Cabinet by notice published in the Gazette and one by Members of Parliament who shall be appointed in such manner as Parliament may determine.

(2) The Trustee appointed by Members of Parliament may, but need not be, a Member of Parliament but may not be the President, a Minister, the Speaker or Deputy Speaker, and shall be deemed to have been elected upon notice of his appointment having been published in the Gazette.

(3) Subject to this Act

(a) a Trustee appointed by Cabinet shall hold office for such period, not exceeding three years, as is fixed at the time of his appointment by the Cabinet; and

(b) the Trustee appointed by Members of Parliament shall hold office for three years from the date of his appointment.

(4) A Trustee may at any time resign his office as Trustee by a letter addressed in that behalf to the President.

(5) A Trustee shall be eligible for re-appointment.

(6) The Cabinet shall appoint one of the Trustees to be the Chairman of the Trust.

(7) The Chairman shall hold such office until the appointment of another Trustee to be the Chairman, or until the expiration of the period of his appointment as a Trustee or until he otherwise ceases to be a Trustee, whichever occurs earlier.

(8) Where a Trustee appointed to be the Chairman is re-appointed as Trustee upon ceasing to be the Chairman by virtue of the expiration of the period of his appointment as a Trustee, he is eligible for re-appointment as the Chairman.

(9) Notice of the appointment of a Trustee or the Chairman or of the revocation of the appointment or resignation of a Trustee or Chairman shall be published in the Gazette.

(10) The Trustees may be paid such remuneration as the Cabinet may, by Regulation, determine.

(11) The expenses incurred by the Trust in administering the Fund including remuneration of the Trustees and the employment of staff, consultants, agents and the like, shall be paid from the income of the Fund.

#### VACANCIES

15. A vacancy in the office of a Trustee shall not invalidate the proceedings of the Trust.

#### FUNCTIONS AND DUTIES OF THE TRUST

16. The Trust shall perform all such functions and discharge all such duties as are necessary for carrying out the purposes of this Act.

#### MEETINGS

17. (1) The affairs of the Trust shall be conducted at meetings of the Trust.

(2) At a meeting of the Trust

(a) two Trustees shall constitute a quorum;

(b) questions arising shall be determined by a majority of the votes of the Trustees present and voting and in the event of an equality of votes, the Trustee presiding shall have in addition to his deliberative vote, a casting vote; and

(c) subject to this Act and the Regulations made thereunder, the Trustees shall determine the procedure to be followed at or in connection with the meeting.

(3) The Chairman shall preside at all meetings of the Trust at which he is present and, in the absence of the Chairman, the Trustees present shall appoint one of their members to preside at the meeting Provided that when the Trustees present at a meeting disagree on the appointment of one of them to preside, the direction of the Minister shall be sought and the matter shall be decided accordingly.

#### DELEGATION

18. (1) The Trust may, in relation to a matter or class of matters, by writing under its common seal, delegate to a Trustee any of its powers or functions under this Act, other than this power of delegation.

(2) A power or function so delegated shall be exercised or performed in accordance with the instrument of delegation.

(3) A delegation under this Section is revocable at will and does not prevent the exercise of a power or the performance of a function by the Trust.

(4) The Trust may appoint persons to be the attorneys-in-fact of the Trust who shall be empowered to carry out and perform such functions and responsibilities in the name of or for the Trust as shall be set forth in the instrument of appointment but not the power to appoint any further or substitute attorney.

### PART III - CONTRIBUTIONS

#### NON-CONTRIBUTION BY MEMBERS

19. The Fund is a non-contributory fund and accordingly Members shall not be required to make any payments to the Fund.

#### CONTRIBUTION BY THE REPUBLIC

20. (1) The rates of contribution payable by the Republic to the Fund shall be that percentage of the basic salary and of the additional salary, if any, payable to a member as is described in the schedule and such further amount as shall be necessary from time to time to enable the Fund to meet its obligations under this Act.

(2) The contributions payable under this Section shall be paid to the Fund at the same time as basic salary is paid to members or as soon as practicable thereafter.

(3) Notwithstanding the provisions of the preceding sub-sections, the Republic shall within 14 days of the commencement of this Act pay to the Fund such amount as shall be certified by an Actuary as being a prudent amount necessary to meet the then existing liabilities of the Fund and those which might reasonably be provided for.

### PART IV - PENSIONS AND BENEFITS

#### INTERPRETATION

21. In this Part, unless the contrary intention appears - "dependent issue", in relation to a member or former member, means a child, adopted child or stepchild of that member or former member, as the case may be, who is unmarried and -

(a) has not attained the age of seventeen years;  
or

(b) has attained the age of seventeen years but not attained the age of twenty-two years and is receiving full-time education at a school, college or university

and is primarily dependent on the member or former member for financial support.

#### PENSIONS TO MEMBERS OF PARLIAMENT

22. (1) Subject to this Act, a person who has been entitled to a basic salary as a member -

(a) for an aggregate period of nine years or more and ceases, for any reason, to be a member; or

(b) for three full terms of the Parliament, the aggregate period of which is less than nine years and ceases to be a member by reason of the dissolution of the Parliament and

(i) becomes a candidate but is defeated in the general election next following; or

(ii) does not stand for election at that general election for reasons which to the Trust appear good and sufficient; or

(c) for such three full terms of the Parliament the aggregate period of which is less than nine years and ceases to be a member by reason of his resignation for reasons which to the Trust appear good and sufficient

shall, on his so ceasing to be a member and on his ceasing to be entitled to payment of Basic Salary and Additional Salary, if any, be entitled to be paid out of the Fund an annual pension at the rate ascertained in accordance with the following formula:-

$$A \times \frac{B}{C} \times D$$

Where:-

"A" is the aggregate of 30% plus 1.67% for each completed year as a member in excess of 9 years, up to a maximum of 66.67%.

"B" is the total salary that is to say, the aggregate of the total Basic Salary and the total Additional Salary, received by that person;

"C" is the total Basic Salary for a member over the same period as in "B"; and

"D" is the current Basic Salary for a member at the time the formula is applied.

(2) For the purposes of calculating any instalment of pension payable under sub-section (1) at any particular time, "current Basic Salary" means the Basic Salary payable to a member at that particular time.

(3) For the purposes of sub-section (1), the "total salary" received by a person shall, if applicable, also include the Basic Salary and Additional Salary that he received in respect of any period between 31 January 1968 and the date this Act came into force.

(4) For the purposes of sub-section (1), the current Basic Salary in respect of a member means the then Basic Salary of a member.

(5) Notwithstanding anything to the contrary herein the pension payable in accordance with this section shall not exceed two-thirds of the aggregate of the then Basic Salary and the then Additional Salary payable in respect of each office which the member had held in the past and in respect of which he had been paid Additional Salary, weighted by the proportion of the time when he was a member that he held such office or offices in respect of which he was paid Additional Salary.

#### RESIGNATION DUE TO ILL-HEALTH

23. (1) A person who becomes a member after the commencement of this Act may furnish to the Trust a certificate of a registered medical practitioner, who has been approved by the Trust, certifying that the member is not likely by reason of ill-health to be rendered incapable, before the expiration of a period of nine years from the date of the certificate, of performing the duties of a member.

(2) Where a member who has furnished a certificate pursuant to sub-section (1), or a person who was a member at the commencement of this Act, satisfies the Trustees that he has ceased to be a member upon resigning due to ill health, he shall, subject to sub-section (3), be entitled to a pension calculated under Section 18, and if he has served for less than nine years he shall, for the purpose of that calculation, be deemed to have served for a period of nine years.

(3) A person who applies to the Trust under this Section shall provide the Trust with such medical reports and other evidence as the Trustees may require.

## PENSION BENEFITS TO WIDOWS AND DEPENDENT ISSUE

24. The surviving spouse or dependent issue of a member or a former member shall be entitled to pension under this Act as follows:

(a) if a member dies during the member's period of service then a pension shall be paid to the member's surviving spouse during his or her lifetime in an amount equal to five eighths of the pension to which the deceased member would have been entitled had the member retired due to ill-health at the date of the member's death.

(b) if a former member in receipt of a pension dies then a pension shall be paid to the member's surviving spouse, during his or her lifetime in an amount equal to five eighths of the pension to which the deceased former member would have been entitled had the member not died.

(c) a pension shall be paid to the surviving spouse in respect of each of the dependent issue of the deceased member, at the rate of \$312 per annum.

(d) if the member dies leaving dependent issue but no surviving spouse, or the member's surviving spouse dies leaving dependent issue, then the pension payable in respect of such issue shall be payable to the guardian of the issue.

## PART V - MISCELLANEOUS

### FORMER MEMBER ALSO ENTITLED TO BENEFITS

25 (1) Any person who was a member at any time between the 31st day of January 1968 and the commencement of this Act, shall, subject to meeting the criteria set out herein, be entitled to the benefit of pension conferred hereby, and his period of service as a member shall be taken into account for the purposes of this Act, and where such member has died before the commencement of this Act, the members surviving spouse or dependent children, as the case may be, shall, subject to their being eligible, be entitled to such benefit of pension as is admissible under Section 24.

(2) A pension payable under sub-section (1) shall be paid only in respect of the period commencing on the date this Act becomes law and shall not be paid retrospectively.

#### PENSION TO CEASE ON RE-ELECTION

26. Where a person who is receiving a pension under this Act is re-elected as a member payment of his pension shall cease and thereafter his rights and liabilities under this Act shall be the same as if he had never received a pension.

#### REGULATIONS

27. The Cabinet may make regulations not inconsistent with this Act, prescribing all matters necessary or convenient to be prescribed for carrying out or giving effect to this Act, including but not limited to:-

- (a) distribution of excess moneys in the Fund;
- (b) authorisation of investments according to amount, type, location or other criteria considered necessary or desirable;
- (d) providing for information to be provided in financial reports made to Cabinet in accordance with this Act in addition to those required by section 7; and
- (e) providing for the remuneration of Trustees

#### SCHEDULE

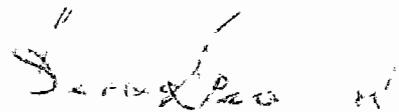
Thirty percent (30%)

I hereby certify that the above is a fair print of a Bill for an Act entitled Parliamentary Superannuation Act 1991, has been passed by Parliament of Nauru and is now presented to the Speaker for his Certificate under Article 47 of the Constitution.



Clerk of Parliament  
27th June, 1991

Pursuant to Article 47 of the Constitution, I, Derog Gioura, Speaker of Parliament hereby certify that the Parliamentary Superannuation Act 1991, has been passed by Parliament of Nauru.



Speaker  
27th June, 1991