

DRAFT FOR CONSULTATION

Remuneration Authority (Members of Parliament Remuneration) Amendment Bill (No 3)

Member's Bill

Explanatory note

General policy statement

This Bill reduces the salaries of all members of Parliament by 20% for a period of 6 months. The emergence of the global COVID-19 virus outbreak and subsequent nation-wide lockdown to eliminate the virus from within New Zealand's borders will heavily impact on the New Zealand economy. Businesses will suffer from a sudden halt in business revenue and many employees will be on reduced wages or lose their jobs entirely. Members of Parliament should show leadership and solidarity by reducing their pay for the same length of time the Government's wage subsidy for employers is on offer. By doing so, members of Parliament will enable Ministers to ask that the public sector make similar sacrifices, if appropriate.

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause and provides that the Bill, once enacted, (**this Act**) will come into force on the day after the date on which it receives the Royal assent.

Clause 3 is the expiry clause and provides that this Act will expire and will be repealed on the date that is 6 months after the date of commencement of this Act.

Part 1

Amendments to Remuneration Authority Act 1977

Clause 4 states that *Part 1* amends the Remuneration Authority Act 1977 (the **RA Act**).

Clause 5 amends section 24 of the RA Act that applies to certain office holders (including members of Parliament) and their remuneration (including salary) that is subject to the Act. Subsection (1) of that section provides the general principle that remuneration of an office holder must not be reduced. Subsection (2) provides the exceptions to the above-mentioned general principle. The amendment adds the name of this Act to the exceptions under which the remuneration of members of Parliaments may be reduced.

Clause 6 inserts *new section 24A* into the RA Act. *New section 24A* provides that the temporary salaries to be paid to members of Parliament during the time that this Act is in force is set out in *new Schedule 1*.

Clause 7 amends Schedule 1AA (Transitional, savings, and related provisions) of the RA Act to insert *new Part 4* into that Schedule.

Clause 8 inserts *new Schedule 1* into the RA Act. *New Schedule 1* specifies certain temporary salaries payable under section 8 of Members of Parliament (Remuneration and Services) Act 2013.

Part 2

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

Clause 9 states that *Part 1* amends the Members of Parliament (Remuneration and Services) Act 2013 (the **MP Act**).

Clause 10 amends section 8 (Remuneration Authority to determine salaries and allowances) of the MP Act. The amendment (inserting *new subsection (1A)*) the salaries to be paid to members of Parliament during the time that this Act in force is set out in **Schedule 1** of the Remuneration Authority Act 1977.

Clause 11 amends section 9 (How salaries and allowances determined) of the MP Act. Section 9 stipulates how salaries and allowances of members of Parliament are determined by Remuneration Authority and published subsequently. The amendment (inserting *new subsection (3)*) states that this section is subject to the *new subsection (1A)* of section 8 that requires temporary reduced salaries to be paid to members of Parliament during the time that this Act is in force.

David Seymour

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New Part 4 inserted into Schedule 1AA of Remuneration Authority Act 1977	
Schedule 2	5
New Schedule 1 inserted	

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Remuneration Authority (Members of Parliament Remuneration) Amendment Act **2020**.

2 Commencement

This Act comes into force on the day after the date on which it receives Royal assent.

3 Expiry

This Act expires and is repealed on the date that is 6 months after the date of commencement of this Act.

Part 1

Amendments to Remuneration Authority Act 1977

4 Amendments to Remuneration Authority Act 1977

This Part amends the Remuneration Authority Act 1977.

5 Section 24 amended (Remuneration of existing holder not to be reduced)

Replace section 24(2) with:

- (2) This principle does not apply to any change in remuneration arising from—
- (a) the Remuneration Authority (Members of Parliament) Amendment Act 2002; or
 - (b) section 16 or 17 of the Members of Parliament (Remuneration and Services) Act 2013; or
 - (c) the Remuneration Authority (Members of Parliament Remuneration) Amendment **2020**.

6 New section 24A inserted (Certain temporary salaries payable under section 8 of Members of Parliament (Remuneration and Services) Act 2013)

After section 24, insert:

24A Certain temporary salaries payable under section 8 of Members of Parliament (Remuneration and Services) Act 2013

The salaries to be paid to members of Parliament during the time that the Remuneration Authority (Members of Parliament Remuneration) Amendment Act **2020** is in force is set out in **Schedule 1**.

7 Schedule 1AA amended

In Schedule 1AA, after Part 3, insert the **Part 4** set out in **Schedule 1** of this Act.

8 Schedule 1 inserted

After Schedule 1AA, insert the **Schedule 1** set out in **Schedule 2** of this Act.

Part 2

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

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

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

10 Section 8 amended (Remuneration Authority to determine salaries and allowances)

After section 8(1), insert:

(1A) However, the salaries to be paid to members of Parliament during the time that the Remuneration Authority (Members of Parliament Remuneration) Amendment Act **2020** is in force is set out in **Schedule 1** of the Remuneration Authority Act 1977.

11 Section 9 amended (How salaries and allowances determined)

After section 9(2) insert:

(3) This section is subject to **section 8(1A)**.

Schedule 1
**New Part 4 inserted into Schedule 1AA of Remuneration Authority
Act 1977**

s 7

Part 4
**Provisions relating to Remuneration Authority (Members of
Parliament Remuneration) Amendment Act 2020**

- 1 Certain Parliamentary salaries set in determination of no effect**
- (1) Any determination of the salaries of members of Parliament that the Remuneration Authority issues is treated to be of no effect or not to have been issued for the period during which the Remuneration Authority (Members of Parliament Remuneration) Amendment Act **2020** is in force.
 - (2) To avoid doubt, nothing in **subclause (1)** affects any determination that the Remuneration Authority issues in relation to allowances of members of Parliament in accordance with clause 6(1) of this schedule.

Schedule 2
New Schedule 1 inserted

s 8

Schedule 1	
Certain temporary salaries payable under section 8 of Members of Parliament (Remuneration and Services) Act 2013	
Office	s 24A
	Yearly rate of temporary salary payable when Remuneration Authority (Members of Parliament Remuneration) Amendment Act 2020 in force (\$)
<i>Members of the Executive</i>	
Prime Minister	376,839
Deputy Prime Minister	267,787
Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios and who is a member of Cabinet	236,806
Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios, but who is not a member of Cabinet	199,871
Each other member of the Executive Council	174,141
Each Parliamentary Under-Secretary	155,499
<i>Officers of the House of Representatives</i>	
Speaker of the House of Representatives	236,806
Deputy Speaker	168,377
Each Assistant Speaker	143,770
<i>Leader of the Opposition</i>	
Leader of the Opposition	236,806
<i>Other party leaders</i>	
Each member of Parliament who is the leader of a party—	
Base salary	143,770
<i>plus</i>	
For each additional member of the party in the House of Representatives up to a maximum of 5	1,710
<i>plus</i>	
For each additional member of the party in the House of Representatives over 5 up to a maximum of 23	1,144
<i>plus</i>	
For each additional member of the party in the House of Representatives over 23	567
<i>Deputy leaders</i>	
Each member of Parliament who is the deputy leader of a party whose members in the House of Representatives number not less than 25—	
Base salary	165,302

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Office	Yearly rate of temporary salary payable when Remuneration Authority (Members of Parliament Remuneration) Amendment Act 2020 in force (\$)
<i>plus</i> For each additional member of the party in the House of Representatives over 25 up to a maximum of 35	568
<i>plus</i> For each additional member of the party in the House of Representatives over 35 up to a maximum of 45	328
<i>Whips</i>	
In respect of each party whose members in the House of Representatives number not less than 4—	
One Whip	
Base salary	143,770
<i>plus</i> For each member of the party in the House of Representatives over 6 up to a maximum of 24	1,144
<i>plus</i> For each member of the party in the House of Representatives over 24 up to a maximum of 35	568
<i>plus</i> For each member of the party in the House of Representatives over 35 up to a maximum of 45	328
<i>Senior Government Whip</i>	
If a Whip referred to in one of the provisions under the heading Whips is also the Senior Government Whip, an additional sum is added	4,086
In respect of each party whose members in the House of Representatives number not less than 25—	
One Junior Whip (separate from, and additional to, that party's One Whip)	143,770
In respect of each party whose members in the House of Representatives number not less than 45—	
One Additional Junior Whip	143,770
<i>Chairpersons of select committees</i>	
Each member of Parliament who is the chairperson of a select committee	143,770
<i>Deputy chairpersons of select committees</i>	
Each member of Parliament who is the deputy chairperson of a select committee	135,194
<i>Other members of Parliament</i>	
Each other member of Parliament	131,169