

**Handout 4**

## **Summary of Recommendations by the Committee to Review Ministerial Salaries**

**Benchmark** – To introduce a new benchmark of 60% of the median income of top 1,000 Singapore Citizens income earners for the entry MR4 Ministerial grade. This benchmark will allow salaries to be competitive and respond annually to market conditions. The total annual salary for all other political appointment holders should be set at a ratio to the MR4 total annual salary.

**Pay Mix and Structure** – To adopt a pay package comprising fixed and variable pay components for all political appointment holders. The fixed pay component should comprise a monthly salary and a 13th month bonus. The variable pay component should comprise the Annual Variable Component, Performance Bonus and the National Bonus. The National Bonus should be determined by four socio-economic indicators (real median income growth rate of Singapore Citizens, real growth rate of lowest 20<sup>th</sup> percentile income of Singapore Citizens, unemployment rate of Singapore Citizens and real GDP growth rate).

**Salary Grades and Ranges** – To retain the current grade structure with salary ranges for all grades, other than the Prime Minister who should be on a fixed salary point.

**Remove Pensions and Retain Medical Benefits** – To remove the pension scheme for political appointment holders with effect from 21 May 2011. All political appointment holders should continue to be on the Medisave-Cum Subsidised Outpatient (MSO) medical scheme, with no other perks.

**President's Salary** – To peg the President's monthly salary to the monthly salary of the Prime Minister and for his annual package to comprise only monthly salary, a fixed 13th month bonus and the Annual Variable Component. The provision of allowing the President to be eligible for a pension at Parliament's discretion should be removed. The President should continue to be on the MSO medical scheme, with no other perks.

**Speaker's Salary** – To peg a full-time Speaker's total annual salary to the MR4 benchmark. Parliament should decide whether to continue the current practice of paying the Speaker 50% of this salary as the Speaker's post is currently a part-time post. The salary should comprise only monthly salary, a fixed 13th month bonus and Annual Variable Component. The Speaker should continue to be on the MSO medical scheme, with no other perks. The pension scheme for the Speaker should be removed with effect from 21 May 2011.

**Deputy Speaker's Allowance** – To peg the full-time Deputy Speaker's annual allowance to 15% of a full-time Speaker's annual salary. Parliament should decide whether to continue the current practice of paying the Deputy Speaker a reduced amount as the Deputy Speaker's post is currently a part-time post. The annual allowance should comprise only monthly allowance, a fixed 13<sup>th</sup> month bonus and Annual Variable Component. The Deputy Speaker should continue to be on the MSO medical scheme, with no other perks.

**MP's Allowance** – To peg an MP's annual allowance to 17.5% of MR4 benchmark. The MP's allowance should comprise a monthly allowance, a 13th month bonus and Annual Variable Component. MPs elected prior to 1995 should have their pension frozen as at 20 May 2011, and not accrue additional pension after that date. MPs should continue to be on the MSO medical scheme, with no other perks.

**NCMP / NMP's Allowance** – To peg an NCMP / NMP's annual allowance to 15% of MP's annual allowance. The NCMP / NMP's allowance should comprise a monthly allowance, a 13th month bonus and Annual Variable Component. NCMPs / NMPs should continue to be on the MSO medical scheme, with no other perks.

**Future Reviews** – For the Prime Minister to appoint a Committee to review the salary framework every five years.