**Thursday, 28 October 2010**
*Parliament met at 2.55 p.m. in Parliament House, Kampala.*
PRAYERS

*(The Speaker, Mr Edward Ssekandi, in the Chair.)*
*The House was called to order.*
COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you and I would like to inform you that we shall have a lot of business to transact, especially the one that I informed you about yesterday under the Constitution, Article 78. But there are a number of other Bills that are so crucial that we have to handle this month and next month before nominations. So, please bear with me when I call you to come and attend to Parliamentary business despite your schedules in your constituencies. Thank you.

3.12

**MS BETTY NAMBOOZE (DP, Mukono North County, Mukono):** Thank you, Mr Speaker. I rise on a matter of national importance where I have two cases in my constituency, and I would like this Parliament to pronounce itself on these two incidences which touch the liberty of two Ugandans.

**THE SPEAKER:** I hope you are standing in for the Leader of Government Business.

**MR WERIKHE:** Yes, Sir. *(Laughter)*

**THE SPEAKER:** Okay. But where are most of the ministers?

**MR WERIKHE:** Rt hon. Speaker, the other colleagues are finalising a certain critical issue which we have been handling since morning, but they will be joining us soon.

**THE SPEAKER:** You did not meet yesterday?

**MR WERIKHE:** No, we did not meet yesterday; we met this morning.

**THE SPEAKER:** Okay, make your point.

**MS NAMBOOZE:** Thank you, Mr Speaker. On the 6 October 2010, a young lady of Mukono Christian University by the name of Wasagali Pamela was arrested at a place called Kamu – Bulegeni – Bulambuli District in Mbale**.** She was later transferred to Sironko Police Post where she spent a night and then to Mbale Regional Police Headquarters on the 7 October 2010, where she spent another night.

A file No.26072010 was opened up where she was accused of being a vagabond. On the same day, she was transferred to the Police Headquarters where she was interrogated by the Regional Police Commander who later drove her in his personal car to Kireka the following day at night.

Since then, the relatives of this young girl have been looking for her; they have been told that the girl was arrested under suspicion that she is a terrorist and since then the parents have not got access to their daughter. They do not know her whereabouts and the last time they saw her she was complaining that she had been tortured.

This is a young lady of 19 years, a student of Uganda Christian University, Mukono. The atmosphere at the campus in Mukono is so tense that the students are planning a demonstration over the arrest of their colleague.

It is unfortunate that each one of us every other day brings a case of a similar nature. I remember about two weeks ago, hon. Erias Lukwago brought up a matter concerning the arrest of his constituent, a one Basudde. It is becoming too much for Parliament to handle such business; and indeed we might end up bogging down the work of this House.

I am, therefore, requesting this august House to pronounce itself on these kinds of arrest of people who are detained in illegal detention centres; they are tortured and at the end of the day they say, “These are terrorists,” and then we come here raise the matter and get a report from the minister the following day. This is a very serious matter, Mr Speaker. We all know what constitutes an arrest; we are not here to defend –

**THE SPEAKER:** No, what you do, you just report the particular cases. Do not go back to other cases.

**MS NAMBOOZE:** Much obliged, Mr Speaker. My concern is that these types of arrests - there was a case of Mr Basudde here. So, I would like to beg that this House pronounces itself on this matter.

The second case is the disappearance of a young man called Bowe Isaac also from my constituency. Bowe was a student of Excel Senior Secondary School in Mukono. He sat his A’Level Examinations in 2008 and indeed when the examination results came back he had performed excellently; he got 24 points. During his vacation, he sought work at Best Meals Hotel in Mukono.

He disappeared on the 22 November 2008. Since then, the parents have been to each and every Police Station. They have been to each and every office where they hope they can be assisted, but Police seems not to be interested in this matter. Fingers have been pointed, names have been mentioned and even some of the things this young man was carrying like his telephone set were found with some people, but no arrests have been made at all.

In addition to that, Police has been demanding money from the relatives of this young man under the pretext that it is going to be used to facilitate their investigations. Mr Speaker, where should Ugandans report matters like this one?

I would like to recall particularly the words of His Excellency the President in 1986 that when he was young, even if a needle would get lost in his mother’s home, everything would be moved to look for this needle and indeed the needle would be found. But how can people start disappearing in this country and the Police seem not to be concerned?

**THE SPEAKER:** Okay, I think your case has been understood.

**MS NAMBOOZE:** My case has been understood and I want to thank you for that. I request that you allow me to lay these two files on Table. They contain the complaints of the relatives of the victims and their photographs.

**THE SPEAKER:** Okay. Are you going to talk about this particular case? It should only be about the two cases.

3.20

**MR ERIAS LUKWAGO (DP, Central Division, Kampala):** I thank you for this opportunity given to me and hon. Betty Nambooze for raising this issue. I just have one concern related to that; the question of the ratification of the International Convention for the Protection of all persons from enforced disappearance.

This is a convention which was adopted by the UN way back in 1992, and as a country, we have not up to now ratified it. So, the question is, “Why have we failed to ratify this convention?” When you look at Article 2; “For the purposes of this convention, enforced disappearance is considered to be the arrest, detention, abduction or any other form of deprivation of liberty by agents of the State or by persons or group of persons acting with the authorisation, support or acquiescence of the State followed by a refusal to acknowledge the deprivation of liberty or by the concealment of the fate or whereabouts of the disappeared person which places such a person outside the protection of the law.”

In Article 5, if it becomes a widespread or systematic practice, the enforced disappearance becomes a crime against humanity.

**THE SPEAKER:** Hon. Member, you are talking about disappearance and maybe it is not disappearance. Maybe he is under the hands of the State. Why don’t you wait for a statement on the matter and then you can use that one to counter whatever wrong answer would have been given?

Before we proceed, I would like to welcome a Presidential candidate and our Member of Parliament, hon. Betty Kamya. *(Applause)* I must say that we wish you success.

**MS NAMBOOZE:** These are the two files with the complaints; one from the relatives of Wasagali Pamela and her photograph. I wish to lay it on Table. The other compliant is from Mr Kalanzi Samuel of W-Anthony Village with the photograph of his son, Isaac who disappeared. I wish to also lay this on Table.

**THE SPEAKER:** The Presidential candidate and Member of Parliament, Rubaga North.

3.24

**MS BETI KAMYA (Rubaga Division North, Kampala):** I thank you, Mr Speaker and may I take this opportunity to thank you for the statement and the colleagues for the faces around that only show happiness and support. I promise that I will not let you down. At an appropriate time, I will seek your indulgence to make a personal statement on that matter.

The reason why I am standing up is that in my first year in the Eight Parliament, I tabled a motion in Parliament that we set up a select committee to investigate matters of human rights abuse and I tabled before this House a list of 200 names which included people that have been tortured and people that have disappeared.

That motion was defeated on this Floor led by then Minister of Internal Affairs, hon. Ruhakana Rugunda, on grounds that there was enough machinery in this Parliament to investigate this matter and that it was not necessary to have a select committee.

The following year, I still brought a motion to this House during the Black Mamba and PRA days and moved a motion that we investigate the forced amnesty because people were complaining that they were being forced to take amnesty in order to be absolved of cases in court about terrorism. That motion was passed on to the Committee on Defence and Internal Affairs which was then headed by hon. Rosemary Namyanja. Mr Speaker, we are in the last month of this Eighth Parliament and matters of human rights abuse continue up to today. We need to take those matters seriously.

**THE SPEAKER:** Hon. Member, this is a general debate. We are concerned with the incidents of the two people mentioned by the hon. Member of Parliament from Mukono North. So, anybody who stands up, unless they have some information on this, I will not permit their contribution.

**MS KAMYA:** I am most obliged. I have made my point.

**THE SPEAKER:** I thank you.

3.26

**MS WINIFRED KIIZA (FDC, Woman Representative, Kasese):** I thank you, Mr Speaker and hon. Kamya, the presidential candidate, for being here in this House, and hon. Betty Nambooze for raising this issue.

I am rising here not because I have information about hon. Nambooze’s issue, but also to feel the same way she is feeling; that I think our Police is not doing much in investigating certain issues.

If I may be allowed to use the words of the father of the late Kakama at the send off of his child after the discovery that the child was dead. The man said, “I am lucky that my child was able to be found although dead. There are so many other Ugandans out there who have gone missing and possibly not even a trace of them has been made.” This is the same statement that is being raised here. A boy of that age disappears and not even a word is said about the disappearance of this big boy.

Mr Speaker, we would like to know from the Minister of Internal Affairs what should be the fate of Ugandans in such circumstances; where should the parents of this boy run to in a situation were they go to Police and the Police says, “Give us transport”? We do appreciate the conditions under which our Police are operating, but in the circumstances, where should the parents go? In the circumstances, where should Ugandans go to?

The other issue is about Pamela, the assumed terrorist. We may not say she is not; we may not say she is. We can only be sure she is if she has been brought to the courts of law and possibly proved guilty. This is a woman we are talking about with a peculiar nature of the women being held under unknown circumstances. We do not know what is happening to her; whether she has also been murdered or is being tortured according to the relatives.

But what is the law of this country saying about arrests and possibly production of victims? Can we know what the law of this country provides in such circumstances when somebody is arrested; should the person be kept without appearing in court? Shall we say that this is now the order of events?

Let us be guided and let us get this information from the Minister concerned. Hon. Prime Minister here with us, we would like to be guided on where the Ugandans should really seek assistance in case such catastrophe befalls them.

**THE SPEAKER:** Yes.

3.30

**THE MINISTER OF LANDS AND HOUSING (Housing) (Mr Michael Werikhe):** I have listened with great concern to the submissions made by hon. Nambooze and other colleagues about the cases they mentioned about Pamela Wasagali and Bowe Isaac. The Minister for Internal Affairs will be informed. I would like to assure the House that we are going to come up with a report about these two cases so that honourable members may know exactly what happened. But I won’t hasten to add that we need two weeks -

**THE SPEAKER:** No, according to her, this is a matter that was handled by Government agencies and the records are there. What we need is for the minister to tell us what happened. The minister should bring a statement on that matter next week. We will give him Wednesday or Thursday.

**MR WERIKHE:** Obliged, Mr Speaker. But I would like to inform honourable colleagues that the Police, under the circumstances, does try to respond to cases like this one. We even observed recently that there were some children who disappeared and the Police worked round the clock and these children were recovered and were handed over to their parents. This is a testimony to the fact that the Police do care and they try their level best to ensure that they respond to cases of any disappearances. So, we are going to come with a report and we will know exactly –

**THE SPEAKER:** Let us confine ourselves. We have agreed that the minister will make a statement next week.

3.32

**MS FLORENCE IBI EKWAU (FDC, Woman Representative, Kaberamaido):** Thank you very much, Mr Speaker. I rise on a matter of national importance to this country. This is related to the floods that have taken place in Kaberamaido District so far, and this time the areas are flooding as a result of water bubbling and sprouting all of a sudden from the ground, I think due to too much rain, and it has affected very many families. Homes are standing in water; the toilets are flooded and have started overflowing, and communities that use spring wells are drinking the same water. I am sure of a much more predetermined calamity, greater than what is there so far.

What is amusing is the fact that the whole day yesterday, I tried to reach very many ministries and civil society organisations and bodies that would attend to calamities of this nature, but the information has not reached anywhere and yet the water is so much to the extent that it reaches midway the body of a four-wheel drive car –*(Interruption)*

**DR EPATAIT:** Thank you, honourable colleague, for giving way. The issue of floods in Teso is not limited to Kaberamaido alone. In fact in today’s local daily, The *ETOP* newspaper, it was reported that one person actually died in floods in Kapelebyong County early this week. The floods have affected literally all the districts - Bukedea, Kumi - especially those low-lying areas next to the large water bodies. So, people have even run out of food because most crops, especially the root crops, are rotten. So, we are faced with looming famine and disease disasters. I thank you, honourable colleague.

**MS IBI EKWAU:** Thank you very much, honourable colleague, for the information. So, apart from the crops being submerged in the water as he has said, I need intervention because I have at least two cases; a case where a woman is in the kitchen and water springs all of a sudden and in 10 minutes it has flooded the whole house and the compound; or a family that has gone to sleep at night and the parents wake up to pick children floating in water in a room where they are sleeping. So, I am so surprised that it has really not caught the attention of the authorities and yet this is something that we have been fighting with for over three weeks.

Now that Teso is a water and disaster-prone area, we really call upon the Ministry of Disaster Preparedness to intervene. There has been a lot of water and most roads are cut off, but the ministries are not paying attention to the fact that this whole month is the rainy season in this part of the country and waters are flooding all over the place.

So, Mr Speaker, I bring this as a matter of great concern and we plead and urge that Government comes to the intervention of these people as soon as possible. We do not want to come back here to count how many people have died and yet we have brought this to their attention. I would be very grateful. Thank you very much, Mr Speaker.

**MR WERIKHE:** Mr Speaker, again I would like to assure my colleague and the honourable colleagues in the House that the Minister of Disaster Preparedness will bring a report on this issue next week. Thank you.

3.36

**MR ONYANGO KAKOBA (NRM, Buikwe County North, Mukono):** Thank you, Mr Speaker. I also rise on a matter of national importance in my constituency. This is related to a case in which a number of families were evicted from Bujowali in Njeru Town Council on 20 October 2010. Of grave concern are the circumstances and the manner in which the eviction was carried out, given the fact that the title of the land from which these people were evicted is believed to have been forged; and the other fact is that the Police that is supposed to protect the people were the ones that aided the eviction and looked on as people were being beaten up.

Mr Speaker, as a brief background, this land case started sometime in 2003 when one John Lukyamuzi bought a piece of land from one Mariam Nankabirwa and the powers of attorney were later transferred to one Geoffrey Wasswa. Immediately, Geoffrey Wasswa started scheming on how to evict people from this land and when the people resisted, he got hold of six of them, including the area LCI chairman. They were locked up and were charged in court and convicted even after the proper witnesses in the case that was alleged to have involved obtaining money by false pretence had withdrawn interest.

The convicts appealed to the Grade I Court because they had been convicted by a Grade II Court, but after realising that the case was taking the same trend like the previous one, we intervened and acquired the services of a voluntary lawyer on behalf of the tenants. When we approached the DPP’s office as well as the registrar of courts, they directed that this case be discontinued and indeed it was.

Nevertheless, Wasswa proceeded and isolated one of the tenants and took him to court and this matter has dragged on until 8 October of this month that the judgement was passed against the tenant. To our surprise, in the judgement there was a provision that the tenant should appeal within 14 days, but the eviction was carried out even before the 14 days expired.

Secondly –

**THE SPEAKER:** No, then it is understandable that this is a matter that has gone to court; there is a judgment that somebody is executing. So, why don’t you resort to the court; the courts will stop it. This is not a matter for Parliament. Since the courts are there, you resort to them.

**MR KAKOBA:** Mr Speaker, I was just giving a background, but there is a bigger case that was not handled by court.

**THE SPEAKER:** No, according to the details you have given, this is a matter that has been in court – but people are saying that eviction came in too soon. I think you go to the court and they will, rather than Parliament, help you.

**MR KAKOBA:** I was just giving a preamble, which is related to that, but there is a case that involves a number of many villagers. So, when we discovered that this matter had some forgeries, we forwarded the information to the Police –

**THE SPEAKER:** But hon. Member, from the account you have given, clearly this is a matter that should be handled by the courts of law rather than Parliament. We make laws, but whenever we have to intervene, we again have to go to the courts of law. Why don’t you use the machinery of the court?

**MS NAMBOOZE:** Mr Speaker, sometime back, this House passed the Land Act to protect squatters. I have also read some article in the *Edoboozi* Newspaper, which said that Members here were facilitated with Shs 5 million each, to go and sensitise the public about the Land Act, especially the squatters, in regard to their rights and obligations.

My clarification goes to the hon. Member holding the Floor on whether he effectively used this money to sensitise his people or not; he would have used this chance to cover these issues.

**MR KAKOBA:** Thank you, Mr Speaker. I am most obliged as far as the case involving the courts is concerned. However, I would like to bring to your attention that there is a bigger case that does not involve the courts, which has been dragging on for some time.

My request is that since we forwarded this matter to the Police and they have not carried out any investigations, Parliament can intervene through its relevant committee by instituting an investigation over the land wrangle whose facts are not yet before court. This will help those involved to have the matter resolved once and for all. I am saying this because the people in that area are just on tension with the Police not helping them. I beg to pray.

**MR WACHA:** Mr Speaker, a small matter has been raised by the hon. Member from Mukono North about some facilitation alleged to have been given to Members of Parliament. I want it to be put on record that I never received any money as facilitation to explain the Land Act.

**THE SPEAKER:** I think these general matters should end here. Let us now follow the Order Paper.

BILLS

SECOND READING

THE PARLIAMENTARY PENSIONS (AMENDMENT) BILL, 2010

3.45

**MR STEPHEN MUKITALE (NRM, Buliisa County, Buliisa):** Mr Speaker and honourable colleagues, I beg to move that a Bill entitled, “The Parliamentary Pensions (Amendment) Bill, 2010” be read for the second time.

**THE SPEAKER:** Okay, it is seconded.

**MR MUKITALE:** Mr Speaker and honourable colleagues, I would like to thank you for having given us the opportunity to have this Bill read for the second time. As you may recall, the seventh Parliament put in place the Parliamentary Pensions Act and the object of this Bill is to amend that Act.

I also would like to say that among other amendments, there was need to clarify on the membership to the scheme. There was also need to clarify on the status of the current Members of Parliament who were not Members of Parliament as at the second day of the beginning of the Seventh Parliament. Further, we needed to clarify on the type of pensions in order to do away with the ambiguity created by the previous Act.

In the current Act, we are also handling the pensions board reports to Parliament because as time goes on, we shall have more non-parliamentarian pensioners and former members of staff. So, we intend to introduce the AGM and that is why even now we have been reporting to Parliament annually. Last time we distributed copies of the annual report into your pigeon holes and we are due to produce another one. For now, I would like to inform honourable colleagues that we now have a fully-fledged office for the Parliamentary Pensions Scheme at Bauman House from where you can get details of what is happening to your pension account.

Mr Speaker and honourable colleagues, we also intended to make a provision for a vetting scale, stipulating the proportion of Government contribution that we shall vest on Members upon retirement.

The Bill also intended to enable the transfer of Members’ benefits to another scheme upon retirement from the Parliamentary Scheme. In the same way, the Bill intended to insert a provision for the pension of the disabled people and to provide for a fair representation of Members on the board of trustees. We are looking at the composition of the board and as I have said, we need to provide for non-Members of Parliament pensioners who will be the majority in future.

Further, we also intended to stipulate a dispute resolution mechanism aware that currently the regulator Bill hasn’t been passed. That is why we need to have a mechanism through which we can resolve such disputes.

In that regard, I want to thank the Members for having passed the Presidential Emolument Bill and the Parliamentary Pensions (Amendment) Bill, which we passed two weeks ago to provide for the emoluments of the Speaker and the Deputy Speaker of Parliament. I know that the Committee of Legal and Parliamentary Affairs has since separated the two.

Mr Speaker and hon. members, we pray that this important Bill is passed into an Act of Parliament to enable us run the scheme.

We also had issues to do with the formula and at this point I would like to thank Government for having religiously made its contribution to the scheme. I think this is a very clear matter which we seek the support of all Members. I beg to move.

**THE SPEAKER:** Thank you very much. Now, it is time to hear from the committee.

3.50

**THE CHAIRPERSON OF THE COMMITTEE ON LEGAL AND PARLIAMENTARY AFFAIRS (Mr Stephen Tashobya):** Thank you very much, Mr Speaker. This is a report of the Committee on Legal and Parliamentary Affairs on the Parliamentary Pensions (Amendment) Bill, 2010.

The Parliamentary Pensions (Amendment) Bill, 2010 was read for the first time on 13 May 2010 and it was referred to the Committee on Legal and Parliamentary Affairs in accordance with rules 112 and 113 of the Rules of Procedures of Parliament. In analysing the Bill, the committee was guided by Rule 113.

Methodology

In the process of analysing the Bill, the committee discussed the Bill and held a workshop with the Parliamentary Pensions Scheme Board of Trustees. The committee also held different meetings with the following stakeholders:

1. The Minister of Justice and Constitutional Affairs

2. The Minister of Public Service and

3. The Parliamentary Pensions Scheme Board of Trustees.

Objective of the Bill

The object of the Bill is to amend the Parliamentary Pensions Act, Act No.6 of 2007. It specifically seeks to:

i) Clarify on membership to the scheme as the current Act does not include Members of Parliament who were not Members of Parliament as at the 2nd day of July 2001;

ii) To clarify on the type of pension scheme in order to remove the ambiguity in the Act;

iii) To make provision for a vesting scale stipulating the proportion of Government contribution that shall vest on the Member upon retirement or withdrawal from the scheme;

iv) To enable the transfer of a Member’s benefits to another scheme upon retirement from the Parliamentary scheme;

v) To provide for the treatment of pension benefits under the Pensions Act Cap. 386 which accrue to some staff of the Parliamentary Commission who ceased to be members under Cap. 286 by virtue of the Parliamentary Pensions Act;

vi) To make provisions for a disability pension;

vii) To provide for fair representation of Members on the board of trustees; and

viii) To stipulate the dispute resolution mechanism.

Observations and recommendations

i) The committee observed that the Bill seeks to provide for the hybrid cash balance scheme but does not define what it means.

ii) The committee also observed that the Bill in its application clause excludes the Vice President and Prime Minister. The committee observed that Parliament passed Parliamentary Pensions (Amendment) No.2 Bill 2010 that is providing for the benefits of the Speaker and the Deputy Speaker.

iii) The committee observed that the Bill gives the board of trustees discretionary powers to vary the nomination of a beneficiary.

The committee made the following recommendations:

i) The committee recommended that the term “hybrid cash balance” should be defined including other terms such as ‘beneficiary’ or ‘nominee’ and ‘manager’ and ‘defined benefit scheme’;

ii) The committee recommended that the Speaker and Deputy Speaker or a person who becomes Speaker or Deputy Speaker should be excluded from the membership of the scheme; and

iii) The committee recommended that the discretionary power of varying the nomination of a beneficiary given to the board of trustees should be removed.

The committee recommends that subject to the proposed amendments, the Parliamentary Pensions (Amendment) Bill, 2010 be passed into law and I beg to move.

**THE SPEAKER:** Thank you very much chairman and members of the committee.

3.55

**MR CHARLES ODUMAN (FDC, Bukedea County, Kumi):** Thank you very much, Mr Speaker. I would like to thank the chairperson of the committee for the report on the Parliamentary Pensions (Amendment) Bill No.1 of 2010. I support the motion.

This motion is a bi-partisan motion that touches on almost everyone here personally. As a member of the Parliamentary Pensions Board of Trustees, we have gone through a lot to study best practices in pension’s management, especially in regard to the fact that this area is still new in the country. The idea was to try to align our pension fund with best practices and also anticipate what the reform in the sector is likely to achieve in the Pension Regulatory Authority Bill which is also before this House.

Based on those studies, we found out a few issues that we needed to borrow and amend our own Act and these are the ones that are now contained in this amendment as advised by the committee. I would like to assure Members as a member of the board of trustees that the Parliamentary Pensions Scheme is ready to start dispensing the outputs of a normal pension scheme.

As my chairman has said, the pension secretariat is already in place, information technology systems are already in place and the staff are already in place. Systems are ready to start issuing a monthly e-mail like the one that comes from Parliament here.

So, the things that stand in our way are really minor issues. It is like when you cut a metal, there are some chips that remain at the end of the metal that you need to grind off. So, in the Act, there are things that we need to grind off and let the two metals join properly.

I do not have a lot to add to what my chairperson and the chairperson of the committee have said. I simply would like to call on Members across the board to support this motion; we pass the amendments and immediately after these amendments have been passed and the Act assented to, anybody that becomes eligible to receive a pension can receive a pension immediately it is assented to. I thank you.

**THE SPEAKER:** Thank you very much. Before we proceed, please allow me to say that in the public gallery this afternoon, we have pupils and teachers of Busia Parents Primary School. You are most welcome. Please join me in welcoming them. (*Applause*)

4.00

**MR ODONGA OTTO (FDC, Aruu County, Pader):** Thank you very much, Mr Speaker for giving me this opportunity. I would like to thank the Minister of Public Service for keeping her word and bringing the Bill on time. I also thank you the Speaker for giving me this opportunity and ensuring that such important issues are deliberated by Parliament. I just have one concern which I would wish to advise Members about before we get to the committee stage so that we are not taken unawares. There has been a campaign to give some powers to the board to vary nomination of beneficiaries. We were given a form - I found a form in my pigeonhole requesting me to nominate my beneficiaries. But there is a provision which gives power to the board in case I nominate some beneficiaries and leave others. There is a campaign that we give certain powers to the board to vary my nominees and add others on board. (*Interjections*) No, no.

**THE SPEAKER:** Okay, I think what he wants to know is, when you say you have powers to vary, I nominate so and so and you say, “No,” and you substitute one.”

**MR MUKITALE:** Mr Speaker and honourable colleagues, we have gone through a lot of consultations on this matter, when we met the Committee of Legal and Parliamentary Affairs in a half day meeting and the board was moving out of the practice. We have lost Members of Parliament who had nominated some people as beneficiaries and immediately after we were bombarded by so many legitimate, unnominated, and at times most deserving family members. A case in point is when somebody picks a girlfriend and leaves the wife with eight children.

However, I must also concede here that after a lot of debate both with the board and in consultation with the legal gurus in this Parliament, and Members of the Parliamentary and Legal Affairs Committee, we as a committee did concede, and I think the report should be saying that we have conceded, but I thought I should give you a background. Not very long ago, we had this problem. People have sentimentally nominated the current lovers and forgotten about their responsibilities. I thank you. (*Laughter*)

**THE SPEAKER:** So, hon. Otto, it is no longer an issue. They have dropped it.

**MR ODONGA OTTO:** Now that it is no longer an issue, I have nothing useful to add. Thank you.

4.03

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko):** Mr Speaker, it is well known that the pension contribution is an asset for the person who is alive or who is dead and if you die, even if you have nominated somebody, I thought the will would be the one which would be used for getting somebody’s resources. If there is no will, if you die intestate, then you should apply for letters of administration so that you are able to access this. I think Parliament should not come up to say that the form we fill is enough to deal with this matter. If I die intestate, then there is a law to deal with that. I think we should not be different and that is my plea that if we do then there will be two different laws applicable. We are not above the law as far as the Succession Act is concerned. I would ask the board to concentrate on making money for Members, but not on how to pay when I have died. No.

Having said that, I have noted something in the law on clause 12 sub-clause 5 and I do not understand where it says, “… *notwithstanding sub-section 4*…” whereby sub-section 4 says, *“The pension payable to a former Member or his or her relatives shall be of such amounts as can be purchased by his or her scheme credit at the time of retirement by monthly payment.”* That is what sub-clause 4 says. But this one says, *“Notwithstanding sub-section 4, a Member entitled to a pension shall have an option of receiving a computed lumpsum payment of not more than 25 percent of his or her scheme credit.”* If the law is telling me I can withdraw, why do you again say that I should have 25 percent? This, to me, is a redundant clause. Well, I will be educated on that.

Mr Speaker, I think we are happy that the scheme is now clear on who Members of this scheme are. First, are those who are Members of Parliament and then those who are Members of Parliament holding other offices catered for? We are happy with that amendment. If you want to understand, like the Speaker and Deputy Speaker, the Vice President and Prime Minister - if at all he is not an ex-officio - even the President.

The other clarification which I want to get is that in these amendments we are making, is there an additional charge to the Consolidated Fund or we are just streamlining the law? That is what I want to know. I thank you.

4.08

**DR FRANCIS EPETAIT (FDC, Ngora County, Kumi):** Thank you very much, Mr Speaker. This issue of pension; social security is one of the motivators for a worker to continue with work. I do not have much to add on the Parliament Pensions law, but I am seeking clarification and this time I think it will be from the Ministry of Finance.

We have time and again heard complaints about the difficulty of access to pension benefits for other civil servants. There are some constraining sections in the law of the NSSF Act that have made a number of civil servants fail to access their money as and when they need it - issues to do with age. I would like to find out from the Ministry of Finance how soon we will come up with an amendment to the NSSF Act in order to help most of the retirees to get what they deserve because there is a lot of outcry out there. Most of them have failed to meet the daily challenges of life and yet their benefits are locked up with NSSF. I thought it would be important for us to amend that law as well to help all workers of Uganda -(*Interjection*)- Thank you for the information.

**MRS SSENTONGO:** The information I have is to the effect that as workers’ representatives, we are working on that because we already approached the Minister of Labour responsible for the NSSF Act and it is in the first line. Amendments have been put in place and it is soon coming to the Floor.

**DR EPETAIT:** Thank you honourable colleague for that information. It is my sincere prayer that we expedite the process because you never know out there, the public may look at us as addressing more challenges that affect the Members and not being mindful of their plight. So, it is better for us to have that law amended as soon as possible; if we could change gears, and have it also before this particular meeting which ends soon, expires.

**MRS MBAGUTA P. SEZI:** Mr Speaker, I want to inform the honourable colleague that civil servants are paid under the Pensions Act and not under the National Social Security Fund Act.

**THE SPEAKER:** Is the pension charged on the Consolidated Fund? Is it a direct charge on the Consolidated Fund? The pension for others; I am not talking about those under the National Social Security Fund, but those that your ministry pays.

**MRS SEZI:** The ones paid by the Ministry of Public Service under the Pensions Act are paid directly from the Consolidated Fund. They are not making a contribution at the moment.

**DR EPETAIT:** Mr Speaker, I rose to seek clarification on the NSSF Act which I thought was under Ministry of Finance. So, I was really not - I wish I could get some reassurance from –

**THE SPEAKER:** But I thought the Member for the workers gave you some information.

**MRS SENTONGO:** The right information is that the fund is in the Ministry of Finance, but the policy matters are under the Ministry of Labour, and that is why the Bill is coming from the Ministry of Gender.

**THE SPEAKER:** But I thought this is a mere reference because what we are dealing with is the Parliamentary Pension Scheme.

**MR NANDALA-MAFABI:** When we are making these laws, they should cover everybody. We have always talked about the issue of NSSF. Why should the policies of NSSF be in Gender and the Ministry of Finance continues to control the money which relates to labour?

We should come clear on where NSSF money and policy are housed.

**MR ODUMAN OKELLO:** I think the Minister of Public Service needed to appreciate the question of the hon. Member. We are talking about bringing efficiency to the pension sector and one step was to bring in a regulatory mechanism which is contained in a Bill before this House. Unfortunately, the thinking tends to move towards taking the establishment of the regulatory authority as the opening of the pension sector. The pension sector will not be opened up until you bring an amendment to the NSSF Act. The NSSF Act provides for mandatory contributions if you employ five people and over.

You cannot deal with liberalising the pension sector by only introducing a regulator. The question for you is to have a Bill for the regulator, but how are you lining up an amendment to the NSSF Act?

**THE SPEAKER:** I think we should concentrate on the subject matter of today and that is the Parliamentary Pension Scheme.

**MR NANDALA-MAFABI:** Mr Speaker, the one who knows about labour issues very well is hon. Rukutana. You will recall that when he was in Finance as a minister, he pulled NSSF to Finance and tried to take it to Ministry of Labour after being posted there.

**MR MWESIGWA RUKUTANA:** It is not true that I pulled NSSF to Finance while there and that a similar attempt was made while I was in Ministry of Labour. The fact of the matter is that the fund being an entity to deal with money lies in a ministry that is better equipped to handle money. The policy rests in a ministry that is better placed to handle social security. What I remember is that this was supposed to be a transitional arrangement. The legal framework has to be revisited to harmonise where the fund and the policy reside. Somebody was telling me that I am almost moving that it goes to Education. I am not about to do that.

**DR BARYOMUNSI:** Although you have guided that we concentrate on the subject, I think hon. Epetait’s question needs to be answered because I do not know whether the amendment is coming as a private member’s Bill from the Workers’ MP or from the minister. When is the law coming? Parliament needs to be given clarification on this.

**MRS SSENTOGO:** Previously, efforts were put in place by Workers’ MPs to table a private member’s Bill. But as we started, the minister intervened and said that they were going to work on it. Right now we are working with the ministry to put up the law. If the ministry delays then we shall bring a private member’s Bill any time.

**MR BUCYANAYANDI:** I am seeking a clarification on amendment of 14(a). The way I understand this is that if I earn my pension for the services I rendered, when this law comes into effect, I may lose my benefits which I earned. I want to know whether some of us who have pension shall lose it with this law.

**MR MUKITALE:** As I mentioned earlier, we are constrained because the Bill causing liberalisation is failing to be brought to Parliament and becoming an Act. Because of that we are limited on how to handle people who are catered for in more than one pension scheme. If we had the parent regulator and liberalisation Act passed, we would also have to conform to those laws, but we do not have them at present.

We were limited by that constraint and that is why I said that the two Bills, one for the regulation, which is under the finance Bill, and one for the liberalization, which has not come to Parliament, would help us a lot.

**MR NANDALA-MAFABI:** Mr Speaker, you recall Hon. Omwony Ojok died and when it came to paying his contribution, it was paid to the SACCO of NRM former Members of Parliament. It is chaired by the former Member of Parliament hon. Sitenda Ssebalu. We paid about Shs 50,000,000 going by the advice of the board. The right beneficiaries came and they were paid; the money which went to NALECO - NALECO said it invested the money in shares and lost and they cannot pay Parliament. That is headed by hon. Sitenda Sebalu.

Mr Speaker, I want to ask the board - this is a criminal mind. How did the board do it and how did we lose money and Sitenda Sebalu is walking on the street with the money from Parliament?

**MRS SEZI:** Mr Speaker and hon. Members, I want to clarify on the issue of Section 14(a) that has been raised by one of the Members. The schemes we are discussing are two separate schemes. The Parliamentary Pensions Scheme is a contributory scheme and we are importing areas of the Public Service Act that is not funded and draws directly from the Consolidated Fund, and the beneficiaries look forward to this scheme.

In the absence of the retirement benefits sponsored by the Minister of Finance, which I hope will make the Pensions Scheme portable in that the portability will enable us when we come from one agency to another, to be able to move with our contributions, and until the Public Service Pensions Scheme converts to a contributory scheme, this section is very difficult to import in this Bill. It is affecting different schemes altogether. So, I would implore you, Mr Speaker, that this section be removed to allow the Ministry of Finance to first give us a portable and liberalised sector of the pension. Thank you.

**MR TASHOBYA:** Mr Speaker and colleagues, I think you should now understand our dilemma because as people managing this scheme on behalf of the Members, we are the ones raising the need for the regulation and liberalisation. We are trying to look ahead. So, I thought it should be Parliament to demand that the ministries of Public Service and Finance move faster so that we have a legal regime, which provides for portability, competition and choice of Members to go to other schemes. It would be unfortunate now for us who have tried to provide for a temporary arrangement because we are aware that when finally the Regulations Bill and Liberalisation Bill do come, the scheme like any other will have to conform to what will be the primary legal regime.

**THE SPEAKER:** Do you need more time to study this Bill? If you need more time then I can -

**MR MUKITALE:** Mr Speaker, I am at pains when we talk of requiring more time. We wrote to the Minister of Public Service –

**THE SPEAKER:** Hon. Member, instead of referring to Ministry of Public Service, it seems the problem is among us and not with the minister. That is why I thought that maybe you need more time or do we pronounce ourselves on the second reading, but we do not proceed with the committee stage? Please advise me.

**MR NANDALA-MAFABI:** Thank you very much, Mr Speaker. I think that as a Parliamentary Pensions Scheme, what they have done to provide for a liberalised sector is very important and we totally agree with them. Anybody is free to invest money where there is a higher return and of course you compute a higher return against risk, and higher returns have higher risks. Now we believe that the Pensions Scheme of Parliament is taking into consideration that we are foreseeing a need for liberalisation.

The world has moved; all pension schemes have been liberalised. It is only here in Uganda where we are still having this monopoly of NSSF and Public Service and we tell ourselves we are in a global village. I think we are making a fundamental mistake.

As this law stands, it is a good law. The only thing we wanted to clarify are those people who die, that is all. If Members have a problem, they are free to bring amendments. I thank you.

**MR ODONGA OTTO:** Mr Speaker, the question put by hon. Buchanayandi must not make us have a starting point because we are not going to start by saying, what about those who should earn more than one pension? It should not be the road block because we have those who have a clean page like some of us. So, we need a starting point. We need to start from somewhere. So, in response to your question as to whether we need more time, we do not. We need a starting point so that when the other sectors are liberalised, we can maybe have a retrospective effect of the other law, but for now we need a starting point. That is what I would submit. So, at an appropriate time, if debates are still there, I would move that we proceed to the next stage.

**THE SPEAKER:** Well hon. Members, the motion is that the Parliamentary Pensions (Amendment) Bill, 2010 be read the second time.

*(Question put an agreed to.)*

BILLS

COMMITEE STAGE

THE PARLIAMENTARY PENSIONS (AMENDMENT) BILL, 2010

4.28

Clause 1

**MR TASHOBYA:** Thank you very much, Mr Chairman. In Clause 1 the committee proposes that immediately after paragraph (a) of Clause 1 we insert the following, “Beneficiary or nominee means a person designated by a Member to benefit under the scheme”.

In paragraph (b) immediately after the definition of the word “dependant” insert the following, “defined benefit scheme means a retirement benefit scheme in which a sponsor undertakes to provide benefits expressed in the form of annuity or lumpsum calculation based on work history and guaranteed return on contribution account regardless of the investment performance of the fund associated with the scheme, and accordingly constitutes a contingent liability for the sponsor”.

(c) Insert immediately after paragraph (d) the following: “Fund manager”. We are attempting to make definitions of these words used in the Bill. “Fund manager means a person appointed by the trustees to advise on the investment of the assets of the scheme in accordance with such terms and conditions of service as may be specified in the instrument of appointment”.

“Hybrid cash balance scheme means a defined benefit scheme, which includes elements of money purchase pension design scheme.”

(d) Inserting immediately after paragraph (c) the following:

“Money purchase pension design scheme. Design scheme means a scheme that provides benefits based upon the amount of money that is in a Member’s account when benefits are due to be paid.”

Mr Chairman, the justification is to provide meaning to the words used in the Bill.

**THE CHAIRMAN:** I put the question to the amendment.

*(Question put and agreed to.)*

*Clause 1, as amended, agreed to.*

Clause 2

**MR TASHOBYA:** Mr Chairman, the committee proposes that Clause 2 be deleted.

The justification is that it is provided under Clause 4.

**THE CHAIRMAN:** I put the question.

*(Question put and agreed to.)*

*(Clause 2 deleted)*

*(Clause 3 agreed to).*

Clause 4

**MR TASHOBYA:** Mr Chairman, the committee proposes that Clause 4 should be amended as follows:

(i) In Clause 5(1), delete the words “not on contract terms” and replace them with the words, “on permanent and pensionable terms.”

(ii) In Clause 5(1), insert the words “or becomes Speaker or Deputy Speaker” after the word, “Minister.”

(iii) In Clause 5(2), delete the word “shall” in the third line and replace it with the word “may”.

(iv) Insert 5(5) to read as follows: “The benefits of the Speaker and Deputy Speaker shall be provided for under Part IV(a) of this Act.”

Mr Chairman, the justification:

(i) Is for consistency since the Bill uses the words “permanent and pensionable terms.”

(ii) To exclude the Speaker and the Deputy Speaker from the membership of the Act.

(iii) To make it optional for the Vice-President or Prime Minister to defer their benefits under the scheme.

(iv) To specifically provide that the benefits of the Speaker and the Deputy Speaker are provided for under Part IV(a) of the Act.

**THE CHAIRMAN:** I put the question that the proposed amendments do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 4, as amended, agreed to.*

*Clause 5 agreed to.*

*Clause 6 agreed to*

Clause 7

**MR TASHOBYA:** Mr Chairman, the committee proposes an amendment that immediately after Clause 7(a), we insert the following:

“7(b) Restriction on use of scheme funds:

(1) The funds of the scheme shall not –

(a) be used for speculative investments;

(b) be lent to any person, except through securities sold on the open market; or

(c) be invested with a bank, non-banking financial institution, insurance company, building society or other institution with a view to securing loans or mortgages, at a preferential rate of interest or for other consideration to the trustee, custodian, administrator or fund manager of the retirement benefit scheme.

(2) Notwithstanding Section 7 and Section 7(b)(1), a prescribed portion of the benefits accruing to a Member under this scheme may be assigned and used by the Member to secure a mortgage or a loan for purchasing a residential house from any institution and on such terms as may be prescribed in the regulations made under this Act.”

Mr Chairman, the justification is to protect the monies of the scheme.

**MR NANDALA-MAFABI:** Mr Chairman, I think this clause is trying to make the Members use their monies to better their lives. The clarification I want to seek is that if we Members decided that if we wanted to have better investments so that we can use the money to do other developments or borrow and do other things, at what stage can we propose that our contribution be adjusted upwards so that we can have a better bargaining power on better investments? It carries better sense that the more we have in our savings – so that we can use it to invest. Even Government should be happy to see that it also betters its contribution to the Members so that Members do not become destitute when they leave Parliament or when they are here and they want to save themselves.

**MR MUKITALE**: Mr Chairman, if I have got hon. Nandala-Mafabi right, the interest of the trustees and of the scheme is to invest your contributions and sponsors’ contributions in less risky but highly-rewarding ventures. That is why we shall discourage directly lending to individuals because it is a pension and should be helping you at a time of need when you are no longer having an income. So, speculative investments are, therefore, restricted. But –(*Interruption)-*

**MR ODONGA OTTO:** Thank you so much, Mr Chairman. What we are trying to propose without circumlocution is that we are proposing an amendment to Clause 6 to increase the percentage of Members’ contributions of the parent Act. That is what hon. Nandala-Mafabi is saying and that is what I am saying. And, Mr Chairman, we are putting the House on notice that either now or later, we would want to have an amendment to Section 6 of the parent Act so that we increase the Members’ monthly contribution from 15 percent to 20 percent- because it is savings in any case - then we shall ask Government to see if they can also respond by reciprocating accordingly. That is what we are already notifying you about. *(Interjections)*

**THE CHAIRMAN:** I put the question to the proposed amendment.

*(Question put and agreed to.)*

*Clause 7, as amended, agreed to.*

*Clause 8 agreed to.*

Clause 9

**MR TASHOBYA:** Mr Chairman, Clause 9 of the Bill, the committee proposes an amendment to delete the word “tenth” in sub-clause (4) of Section 10 and replace it with the word -

**THE CHAIRMAN:** Fifteen?

**MR TASHOBYA:** Sorry, in Clause 9, the committee proposes an amendment by deleting the word “tenth” in sub-section 4 of Section 10 and replace it with the word “fifteenth.”

The justification is to allow reasonable time for the contribution to be paid to the fund. *(Interjections)*

**THE CHAIRMAN:** Date? The provision provides that the contribution by and in respect of each Member under Section 6 shall be paid to the fund before the 10th day of the next calendar month; now he is saying 15th –*(Interruption*)

**MS NANKABIRWA:** Mr Chairman, I find it a bit risky to put such an arrangement in the law because there could be unavoidable circumstances. I thought that we would come up with regulations to help the implementation of this Bill because this sounded like an administrative arrangement. Can we put it in the law or in the regulation?

**MR ODONGA OTTO:** In fact, this amendment is for your own good; the Parliament is saying that other than you remitting on the tenth day of every month, we are actually pushing it to the fifteenth. If the fifteenth does not make you comfortable, we shall remain with the tenth, but we cannot leave it open-ended.

**MS NANKABIRWA:** Mr Chairman, I am not comfortable with tenth either; I propose that we leave it *–(Interruptions)*

**MR NANDALA-MAFABI:** Mr Chairman, you are aware that there are laws – for instance, for NSSF, every employee and employers must remit their contribution by the tenth. The Income Tax Act and VAT also have a specific date; by fifteenth of the following month. That means that specific dates are indicated to facilitate proper administration, and so, the Ministry of Finance should not avoid creating arrears. We have helped them to move it from tenth to fifteenth to harmonise it with the other agencies.

**THE CHAIRMAN:** Okay, I put the question on the proposed amendment.

*(Question put and agreed to.)*

 *Clause 9, as amended, agreed to.*

Clause 10

**MR TASHOBYA:** Mr Chairman, the committee proposes an amendment that in Clause 10(a), “Earned lumpsum payments under the scheme” and a new sub-clause (b) should be inserted and the Bill be renumbered to read as follows: “Refund of contributions”.

The justification is that lumpsum payments are not provided for in the Act and two, administrative expenses are provided for under Section 19 of the Act.

**MR ODONGA OTTO:** Mr Chairman, the committee should convince us as to why we should delete the words “lumpsum payment” and then bring it to “refunds to contributions.” Refunds to contributions may just be what you have contributed; it does not have to be lumpsum. So, I am yet to be persuaded as to why the amendment is better placed than what we have. Lumpsum payment may include the interest, but refunds to contributions may strictly mean only what you have contributed less administrative expenses. It looks like the current position is better than what you are trying to push for. We do not want Members to be taken through a long cue – we want the lumpsum because I would know what I contribute every month and what Government contributes every month!

**MR MUKITALE:** Mr Chairman, for the information of the Members, when a Member has not contributed for five continuous years, he gets a refund. When a Member on the other hand contributes for five continuous years and he is under the age of 45 like hon. Odonga Otto, you qualify for a lumpsum.

So, I think we should separate the refund for the person who contributes and either resigns – but whoever serves for five years and is not eligible to become a pensioner because of their -

**THE CHAIRMAN:** I think the amendment is deleting this and it is in your interest. So, I put the question to the proposed amendment by the committee.

*(Question put and agreed to.)*

So, now it means we delete ‘pension’ and ‘lumpsum’. Is that what you mean – you agree with the committee? Alright.

*Clause 10, as amended, agreed to.*

*Clause 11 agreed to.*

*Clause 12 agreed to.*

*Clause 13 agreed to.*

*Clause 14 agreed to.*

*Clause 15 agreed to.*

**MR BUCYANAYANDI:** Mr Chairman, you may recall that we had made some observations earlier and the Minister for Public Service had made a justification that civil servants who had earned their pension rightly, deserved to retain their pension, and that the source of money for those pensioners was the Consolidated Fund. And that there was a certain privilege attached to their pension. For instance, if they died, his or her family would be entitled to continue with the benefits for a number of years.

**THE CHAIRMAN:** Which clause are you dealing with?

**MR BUCYANAYANDI:** Clause 16 as amended. I want to propose that this section be deleted altogether.

**THE CHAIRMAN:** So, you are opposed to this amendment?

**MR BUCYANAYANDI:** Yes, I would want to see this whole thing thrown out.

**THE CHAIRMAN:** I think this is the explanation which the Minister in charge of Pension gave; that it may not be advisable for us here to bring in the Pension Act in this Bill because it may cause inconvenience for the people who are now benefiting – it is pre-judicial.

**MR MUKITALE:** Mr Chairman, before I reluctantly concede, I would like to request the Ministry of Finance and the Ministry of Public Service to fast-track the two Bills. Let liberalisation be taken care of so that we can know how to take care of people who have multiple schemes.

**THE CHAIRMAN:** It means that the proposed amendment of clause 16 is deleted? [Hon. Member: “Yes”] So, I need not call it because it is deleted.

**MR NANDALA-MAFABI:** Mr Chairman, because I was trying to bring information that anybody is entitled to be in more than one pension scheme. [The Chairman: “Okay, yeah.”] So, the one who drafted this made an error, but if you have deleted it, well and good.

**THE CHAIRMAN:** So, clause 16 is deleted.

Clause 17

**THE CHAIRMAN:** I propose that clause 17 stand part of the Bill.

*(Question put and agreed to.)*

*Clause 17, agreed to.*

*Clause 18, agreed to.*

Clause 19

**MR TASHOBYA:** Thank you, Mr Chairman. Clause 19 of the Bill: The committee proposes an amendment in sub-clause 1(b) of clause 16, be deleted and the justification is that this proposed clause should be taken care of under the Parliamentary Remuneration Act when amended.

**MR NANDALA-MAFABI:** Mr Chairman, now, we have laws governing when somebody dies in service. If somebody died, his gratuity is paid to the person who is in the Will. If there is no Will, the Administrator - to avoid these problems we are seeing here, we should treat it equally, whether you are a Member of Parliament or not. So, this clause is not fair. A person who dies in service in Parliament would have made his Will on who is to benefit from this money. If he has not made a Will, then the person to benefit must get letters of administration to pick the money.

**DR EPETAIT:** Mr Chairman, I am also seeking clarification from the committee chair. The justification that has just been put for deleting sub-clause 1(b) is, to me, legislation by anticipation. That “it will be taken care of under the Parliamentary Remuneration Act when amended.” How do we start legislating by anticipation?

**MR TASHOBYA:** Mr Chairman, the point we are making is that this is not the right law to consider gratuity. We are talking about pension in this statute and the view of the committee is that if this matter is to come up, it should come up in the Parliamentary Remuneration Act, which we were assured is in the course of being amended.

**MR MUKITALE:** Mr Chairman and honourable colleagues, currently this matter is already in the existing Parliamentary Remuneration Act. And actually, as a pension, it also causes a charge if we leave it in the pension. So, we did harmonise with the committee and requested that while revisiting the Parliamentary Remuneration Act, they should take care of other interests like the Speaker’s gratuity, which we said should come from consolidated charges, but for money coming through the Commission, we thought that some harmonisation is required. The problem there includes the heterogeneity between the members of staff and Parliamentarians. My prayer is that we seriously look into the Parliamentary Remuneration Act to provide for the two years as we requested as a board, but we remove it from our Pension Act.

**MRS SEZI:** Mr Chairman, I want to advise that when somebody dies, wherever the benefits have accrued, they are actually turned into the estate under administration. Whether it is death gratuity or pension, immediately a person ceases to live, the other law takes precedence. So, the benefits of Members of Parliament will also have to abide by the other law of administration of estates.

**THE CHAIRMAN:** What did you mean to say in clause 19(ii); “notwithstanding the provision of sub-section (i), the board shall not be bound by the Member’s nomination.” What do you mean? [Hon. Member: “Deletion”] Deletion?

**MR KADDUNABBI:** Thank you, Mr Chairman. My view was that we delete sub-clause 1(b) from the Parliamentary Pensions Act, but we amend the Parliamentary Remuneration Act, other than leaving it the way the committee is proposing that “when amended”. I thought it could be a subsequential amendment by deleting it from here, and subsequently we have also amended the Parliamentary Remuneration Act. This is because this death gratuity in the Parliamentary Pensions Act is talking of two years’ death gratuity, but the death gratuity in the Parliamentary Remuneration Act is talking of one year’s annual salary. So, we need to harmonise the two.

**THE CHAIRMAN:** No, I thought one would get under the other Act what is due to him and this Act is saying they also give you that. That is why they are saying but you see, I asked about these two and the chairperson says they proposed to delete. But in your report, I saw only sub-clause 1(b) of clause 16, which should be deleted. Which is which? You are talking about 1(b) but I am asking about (ii). Are you also deleting (ii)?

**MR MUKITALE:** Mr Chairman, the view I hold, together with my colleagues was that the intention was the same, of putting death gratuity in the Parliamentary Pensions Act and also in the Parliamentary Remuneration Act. That is why we were saying that we harmonise; it remains two years, but it is administered by the Parliamentary Commission when it is in the Parliamentary Remuneration Act. Otherwise, if we are to leave it in the Parliamentary Pensions Act, we must do one of two things; either we must budget some money for those Members who have died or, we must purchase an insurance to cater for those Members who might die.

**THE CHAIRMAN:** Well, that is administration. My question was about this (ii) “notwithstanding the provision of sub-section (i), the board shall not be bound by the Member’s nomination.”

**MR MUKITALE:** Mr Chairman, under (ii) we have already conceded earlier that we cannot vary nomination, but we are only mindful of the Succession Act -

**THE CHAIRMAN:** Was it formally done?

**MR MUKITALE:** At the earlier stage of - I agree; we should do it now because it was at the debate stage.

**THE CHAIRMAN:** I put the question.

*(Question put and agreed to.)*

*Clause 19 as amended, agreed to.*

Clause 20

**MR TASHOBYA:** Mr Chairman, the committee proposes an amendment under clause 16(a) to delete the words “but the board shall not be bound by the Member’s nomination”. That is the last sentence. And justification –

**THE CHAIRMAN:** Yeah, I think it’s clear. I put the question.

*(Question put and agreed to.)*

*Clause 20, as amended, agreed to.*

Clause 21

**MR TASHOBYA:** Mr Chairman, in clause 21 of the Bill, the committee proposes an amendment as follows:

(i) Inserting the word, “serving” after the words, “he or she is a” in the sixth line.

(ii) Deleting the words, “of Parliament” in the sixth line of the clause.

Mr Chairman, this is for clarity.

**THE CHAIRMAN:** I put the question.

*(Question put and agreed to.)*

*Clause 21, as amended, agreed to.*

Clause 22

**MR TASHOBYA:** Mr Chairman, in clause 22, the Bill proposes the following amendment:

(a) We delete sub-clause 1(b) and replace it with, “one backbench Member of Parliament.”

(b) The word, “two” in sub-clause 1(d) of clause 18 should be deleted and replaced with the word, “one”.

(c) The word, “staff” in sub-clause (6) of clause 18 should be deleted and replaced with the words, “any other professional.”

(d) Insert the words, “a member of the board” before the words, “the board” in line 1 of sub-clause (7).

(e) The word, “shall” in the second line of sub-clause (7) of clause 18 should be deleted and replaced with the word, “may”.

**THE CHAIRMAN:** But are you reading from your report? I have different things.

**MR TASHOBYA:** I am sorry, after (c), on page 9 of the report –

**THE CHAIRMAN:** No, but we are dealing with clause 22; what amendments are you proposing? Are you reading these amendments from the report we have or from a different report?

**MR TASHOBYA:** Let’s go to page 9 –

**THE CHAIRMAN:** No, let us start with page 8.

**MR TASHOBYA:** Page 22.

**THE CHAIRMAN:** Page 22? We are dealing with clause 22 on page 8.

**MR TASHOBYA:** Yes, page 8. Mr Chairman there was misprint in the first proposal under (a).

**THE CHAIRMAN:** Okay, you read your amendment, but the report we have carries different proposed amendments.

**MR TASHOBYA:** I do apologise. The first proposal:

(a) To delete sub-clause 1(b) and replace with “one backbench Member of Parliament.”

(b) The word, “two” in sub clause 1(d) of clause 18 should be deleted and replaced with the word, “one”.

(c) The word, “staff” in sub-clause (6) of clause 18 should be deleted and replaced with the words, “any other professional.”

(d) The word, “shall” in the second line of sub-clause (7) of clause 18 should be deleted and replaced with the word, “may”.

(e) The words, “another term” in sub-clause (7) of clause 18 should be deleted and replaced with the words, “one other term.”

And justification:

(a) To reduce the composition of the board of trustees;

(b) To widen the staff to be appointed by the board of trustees; and

(c) To make the eligibility of a trustee to serve another term.

And it’s for clarity, Mr Chairman.

**DR EPETAIT:** His amendment on clause 22 - he is talking about amendment on clause 18; I am wondering why the chairman could not have dealt with clause 18 in its own merit and proposed those amendments rather than bring amendments of clause 18 to clause 22.

**THE CHAIRMAN:** I think it is because clause 22 in the original Bill is dealing with clause 18. It is the Bill itself when it says clause 22, but actually what he is dealing with is clause 18, and he is also dealing with clause 18 because it is mentioned in clause 22.

**MR ODONGA OTTO:** Mr Chairman, the committee chairperson should explain to us why the composition should be reduced. The justification which you gave is just to reduce the composition of the board but why? Because you are now saying the backbench Members of Parliament should be reduced from two to one, which is very strange because I wonder which criteria we would use to get one person from the different political affiliations. So, why do you want to restrict the board and then add professionals? It is hijacking the powers of the actual contributors. You are instead looking for employees. So, can we be given a clear reason as to why you need us to have only one backbench Member of Parliament?

You are also reducing from three to one; and then you are removing the word “staff” and putting the word, “professionals”; what are you trying to cure here? Why are you disenfranchising the contributors from sitting on the board? And this is the same board that was asking for a lot of powers to even vary our –[Mr Tashobya: “You are a member of the committee.”]- Yeah, so, why?

**MR ODUMAN:** Mr Chairman, as a board, we made our presentations to the committee, but I had not noticed that the proposal of the committee was to reduce the backbench Members from two to one. Because in the current provision, as it is now, I stand for this side on the board and hon. Mavenjina stands for that side on the board. So, if you are saying reduce it to one, what are we exactly saying? I did not notice this, Mr Chairman, and I am surprised that it is there. So, I do not agree with this because the intention is also not declared in the proposals of the committee. Now, reduce the board from what number to what number? And why? I think –(*Interruption*)

**MR KADDUNABBI:** Mr Chairman and hon. Members, the board should be reduced in order to cut down the operating expenses. Secondly, originally when we were passing the Parliamentary Pensions Scheme Act, we had a feeling that it is a scheme for only Members of Parliament that is why we were looking at the Opposition and Government. But what we are trying to propose here is that we are creating an AGM which should cater for all members because after about two or three terms, you will realise that the pensioners will be more than even the Members of Parliament and staff.

Members of Parliament and staff are almost the same number, but originally we had proposed to have only one member representing staff and for the Members of Parliament, there are so many. It is just to realign the scheme with the current practice so that we can move forward.

**MR ODONGA OTTO:** Maybe someone with the Parent Act should tell us the current composition so that Members can decide why we should reduce it because not everyone appreciates that information.

Secondly, if we are going to have an annual general meeting, what powers do we have because we are going to leave certain powers to the board? I do not think the AGM would advise that we invest shares in Crane Bank. So, can you please tell us what the current composition of the board is and what you are suggesting so that we can make an informed decision?

**THE CHAIRMAN:** Hon. Members, I would suggest that you need time to internalise these last provisions.

**MR ODUMAN:** Mr Chairman, I appreciate the information from my colleague. The issue about the composition of the board is a principal issue in our discussion. I agree that we must incorporate those colleagues of ours who will have left this House after a very long time - the pensioners. The majority of the members of this scheme, after a long time, are going to be members who are outside here. That is why we brought in the idea of bringing them on board by removing the Parliamentary Commission from being the supreme organ and creating an AGM where we report. We currently report here and not to the Parliamentary Commission as if everybody is governed by this commission. We saw it as wrong.

I, therefore, agree with the amendment that we substitute “Parliamentary Commission” with “AGM”. The issue of changing the number of representatives here from two to one is what I do not remember coming up with. What I remember is that we brought in members who are out there. They should be represented on the board.

**THE CHAIRMAN:** So, you are saying the two should remain because they should cater for the two sides of the House?

**MR ODUMAN:** Yes, the two should remain because multiparty dispensation is a reality. *(Laughter)*

**THE CHAIRMAN:** I think let us concede. Instead of one, we leave them as two.

**MS NANKABIRWA:** Mr Chairman, yes, we are leaving the number as two, but one of whom must be a lady.

**THE CHAIRMAN:** Okay, I think the amendment is clear. Instead of one, we are putting two with a rider that one of them should be a lady. I put the question.

*(Question put and agreed to.)*

*Clause 22, as amended, agreed to.*

Clause 23

**MR TASHOBYA:** The committee proposes that clause 23 of the Bill should be deleted. The justification is that this is already provided for under Section 19(1) of the Act.

**THE CHAIRMAN:** Okay, I put the question.

*(Question put and agreed to.)*

Clause 24, agreed to.

Clause 25

**MR TASHOBYA:** The committee proposes that clause 25 be amended as follows: Immediately before paragraph (a) insert the following and the paragraphs be renumbered: Substituting the word, “Parliamentary Commission” of Section 23(1)(g) of the Act with the word “Board”. The justification is to enable the actual submission of the report to the board of trustees.

**THE CHAIRMAN:** I put the question.

*(Question put and agreed to.)*

*Clause 25, as amended, agreed to.*

Clause 26

**MR TASHOBYA:** The committee proposes that clause 26 should be amended as follows: At the end of clause 26, immediately after the word “dependant”, insert the following words: “beneficiary or nominee”. The justification is to enable aggrieved beneficiaries and nominees to refer a matter for arbitration if they are not satisfied with the decision of the board.

**THE CHAIRMAN:** I put the question.

*(Question put and agreed to.)*

*Clause 26, as amended, agreed to.*

*Clause 27, agreed to.*

 *Clause 28, agreed to.*

*Clause 29, agreed to.*

*Clause 30, agreed to.*

The Schedules

**MR TASHOBYA:** Thankyou, Mr Chairman. The committee proposes amendment to the schedules as follows: (a) the words, “First Schedule” on page 18 should be deleted and replaced with the words, “Schedule 4”. The word, “Second Schedule” on page 19 should be deleted and replaced with the words, “Schedule 5”. The justification is that the Parliamentary Pensions Amendment (No.2) Bill, which was passed on the 13th of October 2010, incorporated schedules 1, 2 and 3 to the Act.

**MRS SEZI:**  Mr Chairman, the formula has been put there, but we would like to see –

**THE CHAIRMAN:** Okay, can we start with the amendment on re-numbering. I put the question on re-numbering.

*(Question put and agreed to.)*

**MRS SEZI:**  Mr Chairman, I would like to make a simple proposal that on the schedule, there should be an indication using the actual figures so that when we are all not here, someone can be able to do it well.

**THE CHAIRMAN:** What should we do?

**MRS SEZI:** I am saying that the formula has been given in letters, but we would like to see an emerging calculation to guide this schedule.

**MR NANDALA-MAFABI:** Mr Chairman, I am sure that the formula is clear. It shows the inputs which are expected and the numbers which are supposed to be used for multiplication, division, addition and whatever. So, I do not think this is very hard. If the minister wants, she can get the formula, put in the figures and get the answer.

**THE CHAIRMAN:** Okay, I put the question that the fourth schedule stand schedule to the Bill.

*(Question put and agreed to.)*

**THE CHAIRMAN:** I put the question that the fifth schedule stand schedule to the Bill.

*(Question put and agreed to.)*

**MR ODONGA OTTO:** Mr Chairman, for avoidance of doubt, I wanted to know the status of the amendment I moved on Section 6 of the parent Act - the percentage of contributions. The question was put, but I just wanted to be clear. I moved that *– (Interjections)-* Okay, can I do it now if you did not hear?

**THE CHAIRMAN:** But we finished it; unless you want to recommit.

*The Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

5.20

**Mr Stephen Mukitale (NRM, Buliisa County, Buliisa):** I beg to move that the House do resume and the Committee of the Whole House report thereto.

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding\_)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

5.21

**Mr Stephen Mukitale (NRM, Buliisa County, Buliisa):** Mr Speaker, I beg to report that the Committee of the Whole House has considered the Bill entitled, “The Parliamentary Pensions (Amendment) Bill, 2010” and passed it with amendments.

MOTION FOR ADOPTION OF THE REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

5.21

**Mr Stephen Mukitale (NRM, Buliisa County, Buliisa):** Mr Speaker, I beg to move that the report from the Committee of the Whole House be adopted.

*(Question put and agreed to.)*

BILLS

THIRD READING

THE PARLIAMENTARY PENSIONS (AMENDMENT) BILL, 2010

5.22

**Mr Stephen Mukitale (NRM, Buliisa County, Buliisa):** Mr Speaker, I beg to move that the Bill entitled,“The Parliamentary Pensions (Amendment) Bill, 2010” be read for the third time and do pass.

**THE SPEAKER:** The motion is that the Bill entitled, “The Parliamentary Pensions (Amendment) Bill, 2010” be read the third time and do pass. I have not put the question. *(Laughter)*

5.23

**THE MINISTER OF STATE FOR PUBLIC SERVICE (Mrs Prisca B. Mbaguta Sezi):** Mr Speaker, I want to commit Section 12(a) of the Bill which restricts the portability of the pensions and benefits of Members of Parliament. It reads, “The benefits of a member who retires or ceases to be a member as a consequence of another Government appointment with a retirement scheme shall be deferred until the member retires or ceases to hold the new appointment.”

Taking into account the discussion about portability, if this section remains the way it is, then it restricts portability of the pensions and benefits of Members of Parliament.

**THE SPEAKER:** It is seconded. Is there any other recommital? Hon. Members, the motion is that we recommit this Bill to consider clause 12(a); or is it 13, hon. Minister?

**MRS SEZI:** It may be 13 because I did not know about –

**THE SPEAKER:** So, you want to recommit clause 13?

**MR MUKITALE:** It is not clear.

**THE SPEAKER:** Is it 13 on page 8?

**MRS SEZI:** On page 8, the section I have is 12(a) - retirement as a consequence of another Government appointment. It is on page 8 of the Bill, Mr Speaker.

**THE SPEAKER:** Clause 13 –

**MRS SEZI:** I have been guided that it is clause 13.

**THE SPEAKER:** Okay, clause 13.

**MRS SEZI:** I am saying that we should recommit this area because under clause 12(a) there is a restriction of deferring the honourable member’s retirement benefits when he or she gets a new appointment. In the discussion, there was the issue of portability when the retirement benefits authority comes into place in that, one should be in a position to move with his benefits under the contributory scheme to another scheme. So, since the authority is not in place, this section should be deleted.

**MR MUKITALE:** Mr Speaker, I thought I had made a prayer much earlier, that the moment the Minister on her side does her part and puts in place the authority, there will be consequential –

**THE SPEAKER:** So, you wanted to delete this one? Did you concede to the deletion?

**MR MUKITALE:** Not me.

**MR LULE MAWIYA:** I thank you very much. The recommital which the Minister is requesting for is based on a Bill in anticipation. How sure are we that this Bill will come? I would like to say that we leave the clause as it is now and when the other Bill comes, if need arises then we shall do the needful. I thank you.

**THE SPEAKER:** Okay. Do you concede that we wait? Okay, she has abandoned the recommital. *(Laughter)*

**MR IBRAHIM KADDUNABBI:** I would like to recommit clause 21 of the parent Act which talks of Government guarantee to remove the Government guarantee in the short and medium terms. This is because in case this scheme gets any problem, the government should guarantee its solvency in perpetuity. That is why we are retaining the Minister of Finance on the board to carry out, among other things, that same role.

**THE SPEAKER:** You are dealing with clause 21. You want to recommit clause 21?

**MR KADDUNABBI:** Yes.

**THE SPEAKER:** Read it.

**MR KADDUNABBI:** It says, “Government Guarantee – The Government shall during the short…….”

**THE SPEAKER:** Read clause 21 in the Bill.

**MR KADDUNABBI:** Mr Speaker, this was not in the Bill.

**THE SPEAKER:** Read clause 21 in the Bill which you want to recommit. *(Laughter)*

**MR KADDUNABBI:** This is not in the Bill.

**THE SPEAKER:** Pleaseread! So, hon. Members, the motion is that the Bill entitled, “The Parliamentary Pensions Amendment Bill, 2010” be read the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE PARLIAMENTARY PENSIONS (AMENDMENT) ACT, 2010”

5.30

**DR FRANCIS EPETAIT (FDC, Ngora County, Kumi):** Mr Speaker, I am rising on a follow-up on some matter that was raised during debate in the second reading of the Bill, whose answers I think this House should be privy to. We were told that the benefits of our late colleague, hon. Omwony Ojwok, were passed on to a SACCO and that the SACCO bought shares and they lost. What has the board done about the benefits of the late hon. Omwony Ojwok?

**MR MUKITALE:** Mr Speaker and honourable colleagues, Dr Epetait has raised a very pertinent issue. The board in its wisdom did look into the matter and we found the estate of the late Omwony Ojwok not responsible for the money having gone to NALECO. So, as a board, we decided to first of all pay the family. However - and if you look at the earlier report that we gave you - we are pursuing the matter of the irresponsible former Member of Parliament and the management of NALECO who conned innocent Members of their money because there were some agreements at some level for this money to be sent to this NALECO. So, we shall give you details in our reports.

We have informed the commissioner in charge of cooperatives who is responsible for SACCOs like NALECO to either freeze the account or pay us. So, we are waiting for their response. I thank you.

**MR NANDALA-MAFABI:** Mr Speaker, that shows that the money we paid is either from the Consolidated Fund or from our contributions, which has gone down to reduce them, and we never gave authority to the board to pay. If they did it, by now the man who wrongly, illegally, fraudulently, and criminally got money should be in prison and we should by now have captured their property. To make matters worse, he is an NRM candidate. It makes it even worse that we can really allow such a person to contest. Mr Speaker, unless we as Members of Parliament have our money back into the fund with interest, we will take the board to court.

**THE SPEAKER:** I think the board is required to give a written explanation of this particular incident and then we shall debate the report.

**MR ODONGA-OTTO:** Mr Speaker, thank you so much. I am just concerned that before you could pronounce yourself on the third reading, the Minister for Public Service walked out. I hope it is just a coincidence; otherwise we do not want to –

**THE SPEAKER:** No, if she had walked out, she would have walked out with her bag, but the bag is there. I think we have finished that item and the next item would be debate on the CHOGM report, but the Prime Minister now tells me that they have a Cabinet meeting. What do we do?

**MR NANDALA-MAFABI:** Mr Speaker, I seek clarification. The CHOGM report is a parliamentary report; what has Cabinet got to do with it?

**THE SPEAKER:** The government should be there because a number of ministers are mentioned in the report. The House is adjourned to Tuesday, 2.00 p.m. to debate the report.

*(The House rose at 5.35 p.m. and adjourned until Tuesday, 2 November 2010 at 2.00 p.m.)*