



**HM Revenue  
& Customs**

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**Date** 26 November 2010  
**Our Ref** 940/2S/HF371  
**Your Ref** 948/FA41758

Dear Philip

Please find enclosed a tailored dispensation for IPSA in respect of:

- **General Administrative Expenditure (GAE) payments made or reimbursed to Members of Parliament (MPs) for payments or reimbursements made by MPs for such necessary expenditure to their staff.**

**The above is restricted to such payments made or reimbursed by IPSA out of GAE budgets for payments or reimbursements by MPs to staff in accordance with the guidance at Part 10 of "The MPs' Expenses Scheme : Second Edition", dated July 2010.**

This dispensation applies only to the expenses payments set out as above, in the circumstances outlined. If the circumstances in which the expenses payments are made change, or there is any change in IPSA's policy document or claims checking procedures, the dispensation will need to be reviewed. It is therefore important that IPSA advise me immediately should its guidance for MPs be revised, systems for controlling expenses payments and benefits be altered, or any changes take place in the amounts and nature of the expenses payments and benefits which may affect their liability.

Yours sincerely

[REDACTED]

**PD1 Employer Liaison Team (Government Departments)**

Information is available in large print, audio tape and Braille formats.  
Type Talk service prefix number – 18001

[REDACTED] Business Unit Head



**Employer: INDEPENDENT PARLIAMENTARY STANDARDS AUTHORITY (IPSA)**

**Reference: 940/HF371/MSG/2S**

**DISPENSATION FOR CERTAIN EXPENSES PAYMENTS AND BENEFITS. NOTIFICATION UNDER SECTION 65 ITEPA 2003**

This dispensation applies to the expenses payments, benefits and facilities, which are set out below. For the purpose of this dispensation these matters are referred to collectively as 'expenses payments and benefits'. It means you will not have to report these expenses payments and benefits at the end of the year on forms P11D or P9D. It revokes from the date of this dispensation any previous dispensation covering expenses payments or benefits of a similar nature.

I am giving you this dispensation because I am satisfied, on the basis of what you have told me, that no additional tax would be payable on these expenses payments and benefits. I am authorised to do this by Section 65 and Section 96 of the Income Tax (Earnings and Pensions) Act 2003.

The dispensation applies only to the expenses payments and benefits, set out below, in the circumstances there set out. If the expenses payments or benefits are paid or provided in circumstances which give rise to additional tax, this dispensation will need to be revoked. Where necessary the revocation may apply to expenses payments and benefits already provided. In that case additional tax will be due. So it is important that you let me know if you alter your system for controlling expenses payments and benefits, or increase their amounts, or change their nature or make any other changes which may affect their taxability.

Payments and benefits that are in any way different, or are provided in circumstances that differ, from those set out below will not be covered by this dispensation and should be reported in the normal way.



**HMRC Inspector**

**Date 26 November 2010**

**Members of Parliament (MPs)**

**Nature of payment or benefits provided:**

**General Administrative Expenditure (GAE) payments made or reimbursed by IPSA to MPs for payments or reimbursements made by MPs for such necessary expenditure to their staff**

Actual costs of business related GAE paid or reimbursed by IPSA to MPs, which cover payments or reimbursements made by MPs to their staff for such genuine business expenditure.

**The above is restricted to such payments made or reimbursed by IPSA out of GAE budgets for payments or reimbursements by MPs to staff in accordance with the guidance at Part 10 of "The MPs' Expenses Scheme : Second Edition", dated July 2010.**

