

# Member Briefing: Meeting 2

*What do MPs do and how are they currently paid and funded?*

## Introduction

In the second meeting of the Forum, we will explore **the role of MPs and their current pay and funding**.

It will include discussions around:

- The day to day responsibilities of being an MP
- How current pay and funding is decided

## How this will work

Shortly, you will hear information from the following speakers:

**Marion Fellows**, Former MP | The role of an MP

**Art Conaghan**, Former MP Office Manager | The role of an MP's Office

**Lee Bridges**, Director of Policy & Engagement at IPSA | The current process for deciding MPs' pay and funding

After the speakers' talks, you'll discuss what you heard in groups. A facilitator will guide the conversation and help capture your thoughts and questions. If there is time, the experts may answer some questions during the session. Other questions may be answered later.

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## How does it currently work?

### Role of an MP in House of Commons

MPs have no fixed job description and are classed as 'office holders', not employees. This allows them to respond to different priorities as needed. In the House of Commons their main role is:

- **Legislation:** examining and approving new laws or taxes.
- **Scrutiny:** checking and challenging the work of the Government.
- **Representation:** expressing their viewpoint during debates and raising their constituents' concerns with the hope of influencing national policy.

MPs can take up additional roles in the House of Commons (e.g. chairing committees) or in Government (e.g. a ministerial role). Additional pay for Commons roles is set by IPSA, while pay for ministerial roles is the responsibility of the Government.

### **Role of an MP in their constituency**

MPs' role in their constituency includes meeting with local businesses and community groups, going to local events, and seeing how services are being delivered first hand. This local knowledge helps guide their work in the House of Commons. They are able to raise concerns, ask questions, and highlight issues that reflect their constituents' concerns.

### **Surgeries**

MPs hold regular surgeries where constituents come to meet their MP to discuss problems they are facing, often relating to issues like benefits, housing, or immigration.

### **Offices**

MPs usually have both a Westminster office and a constituency office. Staff help MPs to organise surgeries, handle casework, research local and national issues, prepare MPs for parliamentary business, draft speeches, deal with correspondence and diaries, arrange local visits, meetings and events, and stay in touch with the community.

The balance of how much time an MP spends in Westminster vs their constituency depends on factors such as the amount of parliamentary business, their constituency's needs, and extra responsibilities such as ministerial posts.

### **Current MP pay and funding**

When we talk about 'pay and funding', it is important to distinguish between MPs' **pay** (their salary and pension), and MPs' **funding** (their budgets, and business costs). Part of being an MP is running your own small organisation. Just as you wouldn't pay for all of your organisation's running costs (e.g. paying staff or heating your office building) out of your own salary, neither do MPs.

### **Pay**

The basic annual salary for an MP (since 1st April 2025) is £93,904. MPs are paid a fixed salary until they cease to be an MP. All MPs are given the same basic salary. Some MPs who take on additional responsibilities, like chairing a committee in Parliament receive a higher salary.

### **Pensions**

The MPs' pension scheme is part of the Parliamentary Contributory Pension Fund (PCPF). As well as their own personal contributions, the Government Treasury also pays into MPs' pensions, similar to other public servants.

It is a defined benefit scheme, meaning the pension is calculated based on a specific formula involving salary and years of service. This is similar to many pension schemes in the public sector, but different from most private sector pensions.

### **MPs' funding**

MPs are given a set budget by IPSA for what they can spend in any given year. They cannot exceed this budget.

MPs can request funding for things necessary to do their job: running an office, employing staff, having somewhere to live in London or their constituency, and travelling between Parliament and their constituency. IPSA calls these 'business costs', rather than 'expenses', so you might hear both terms used interchangeably.

MPs must submit receipts and meet other requirements when seeking funding and must keep within the strict budget limits set by IPSA. Business costs are not part of an MP's pay.

### **How IPSA decides pay and funding**

MPs' pay is decided independently by IPSA, not by MPs or Parliament. IPSA considers a range of metrics when making pay and funding decisions, including various data, their own guiding principles, and the wider economic context. MPs are paid using taxpayer money.

#### **IPSA is trying to achieve the following things when it sets MPs' pay and funding:**

- It enables MPs to fully and effectively carry out parliamentary duties.
- It is fair for all MPs given the diversity of MPs who may be elected by voters, including socio-economic background
  - *IPSA aims to support a diverse and representative Parliament, where being an MP should not only be an option for people with existing wealth.*
- MPs' pay and the cost of implementation is a good value use of public funds.

IPSA decides MPs' pay using a few key data sources. IPSA uses Office for National Statistics (ONS) data and other information on public sector earnings. IPSA also looks at the pay and purchasing power of people who work in other parliaments around the world, especially countries with similar democratic systems.

Each year, the IPSA Board also makes decisions about the budgets provided to MPs for their staffing, office costs, and accommodation. They consider economic factors like inflation and information on the office rental market to decide what budgets are sufficient.

## What do we need to consider?

Here are a few different factors and possible points of view for you to consider when thinking about how MPs' are currently paid and funded (though of course there are many more). Have a think about whether you agree or disagree:

- **Attracting the best people for the job:** Good pay is needed to attract skilled and competent people who can handle the complex work.
- **Their motive:** MPs and their staff should not be motivated by personal gain.
- **Value for money:** Some people question whether MPs' pay matches their impact or performance, and point to the fact that MPs don't have performance reviews.
- **Transparency and trust:** It is really important that MPs' pay and business costs are transparent so they can be held accountable.
- **Comparison to other UK salaries:** Some people believe that MPs' pay should be closer to other public sector salaries, or the average national wage in the UK.
- **Workload:** Some people see the work of an MP as being demanding: many MPs work long hours and do a lot of travel. Others question if their pay reflects their workload, and point out that there is no fixed job description for an MP or their staff.

## A few starting questions

Below are some questions that you might want to think about. Don't worry about having answers to any of these. They are just there to help you think about the topic in different ways.

**How do you think an MP should best spend their time?**

**What jobs might be most comparable to that of an MP?**

**How important does pay relative to other public sector jobs feel?**

**Is there any other data you think IPSA should take into account?**

## Key words & concepts

Below are some key words and concepts that you might hear. You don't need to memorise these, but you may find it helpful to look back at them throughout the session.

Key word or concept	What it means
<b>Bills</b>	A proposal for a new law or a change in law. Bills only become legislation (law that is in force) once they have passed through Parliament and received Royal Assent.

<b>Casework</b>	The process of MPs and their staff, investigating, resolving, or advocating for solutions on behalf of constituents.
<b>Exchequer</b>	The central government's current account and the accounting process behind it.
<b>Inflation</b>	Prices for goods and services increase over time. Salaries can sometimes increase with inflation so that the spending power remains the same.
<b>IPSA Board</b>	IPSA's decision-making body. Under the Parliamentary Standards Act 2009, the IPSA Board has a Chair and four other members, some of whom are required to have particular professional backgrounds. This includes an ex-MP, a statutory auditor, and an ex-holder of high judicial office.
<b>Minister / ministerial role</b>	Ministers are the MPs and members of the House of Lords who are in the Government. They are appointed by the Prime Minister and each given a specific area of government policy to oversee. Ministers speak on behalf of the Government from the frontbenches during parliamentary debates and must answer questions put to them by other MPs or members of the House of Lords. Ministerial pay is <b>not</b> set by IPSA.
<b>MP's office</b>	The staff hired and resources provided to an MP to assist them in their duties, both in their constituency and at the House of Commons.
<b>Panel of Chairs</b>	Experienced MPs chosen by the Speaker to chair Public Bill committees, manage debates and other proceedings. They receive additional pay, which is set and overseen by IPSA.
<b>Parliamentary Committee</b>	A group of MPs and/or Lords who are tasked by the Houses of Parliament to investigate and scrutinise actions of the Government or proposed legislation. The most common type of parliamentary committee is a 'select committee' (below).
<b>Parliamentary Contributory Pension Fund (PCPF)</b>	The pension scheme for MPs. Pension is a payment individuals receive monthly once retired. A State Pension is a basic retirement income provided by the UK Government, while a private pension is a retirement savings plan that individuals contribute to themselves, either through their employer or independently.
<b>Private sector</b>	Organisations and businesses owned and controlled by private individuals or companies, aiming to make a profit from goods or services.
<b>Public sector</b>	Organisations and businesses owned and controlled by the

	Government and funded by taxpayers, providing essential services like healthcare, education, and policing.
<b>Select Committee</b>	A cross-party group of MPs (and sometimes Lords) appointed by Parliament to oversee investigation of specific subjects, scrutinise Government, and produce reports. An illustrative example is the Health and Social Care Committee, who will be looking deeply into the topic of 'Healthy Ageing'.
<b>Select Committee Chair</b>	An MP elected by other MPs to lead a select committee. They receive additional pay, which is set and overseen by IPSA.
<b>The Speaker</b>	The impartial chair of the House of Commons, who maintains order and makes sure rules are followed.