

IPSA

Independent Parliamentary
Standards Authority

Supporting democracy

MPs' pay report 2024

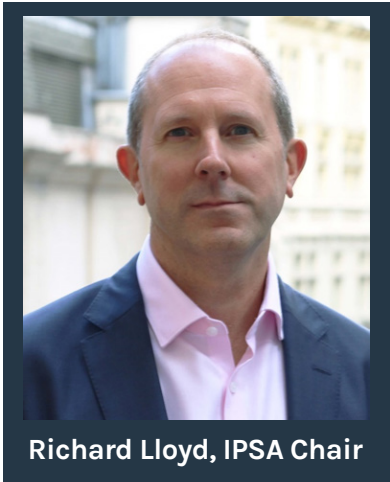
March 2024



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Welcome to our MPs' pay report 2024



Richard Lloyd, IPSA Chair

Transparency is an essential part of supporting trust in democracy. The public has a right to know their money is being spent on the right things, in the right way.

Transparency helps provide assurance that public money is being spent wisely.

There are many myths and misconceptions about MP funding that threaten to undermine confidence in democracy.

As the regulatory body, it is important we better explain and contextualise the funds we provide.

This is why we recently published a report explaining the funding we provide to MPs in carrying out their constituency and parliamentary duties.

The same goes for what MPs get paid.

We know there is still a lack of understanding about how decisions on MPs' pay are made.

For the first time, we have produced a report to explain how the decision on MPs' pay has been made this year, the principles we use to make that decision, and to provide some comparisons of parliamentary pay around the world.

As well as providing information on our decision, it is also important to tackle some of the more common myths and misunderstanding about MPs' pay. For example:

- MPs do not decide what their pay should be.
- The funding for running offices and employing staff does not go to MPs as a "top up" to their salary.
- MPs do not get their own home paid for or their personal bills paid by the taxpayer.

We hope you find the report useful.

We are always keen to hear your feedback, so please let us know what you think about this report by email to feedback@theipsa.org.uk.

IPSA's role in MPs' pay

The fair remuneration of elected representatives in a democracy is an important issue, and of great interest to the public.

IPSA has been responsible for deciding independently what MPs are paid since 2011.

This report is designed to explain how we make this important decision, and our rationale for this year's pay award.

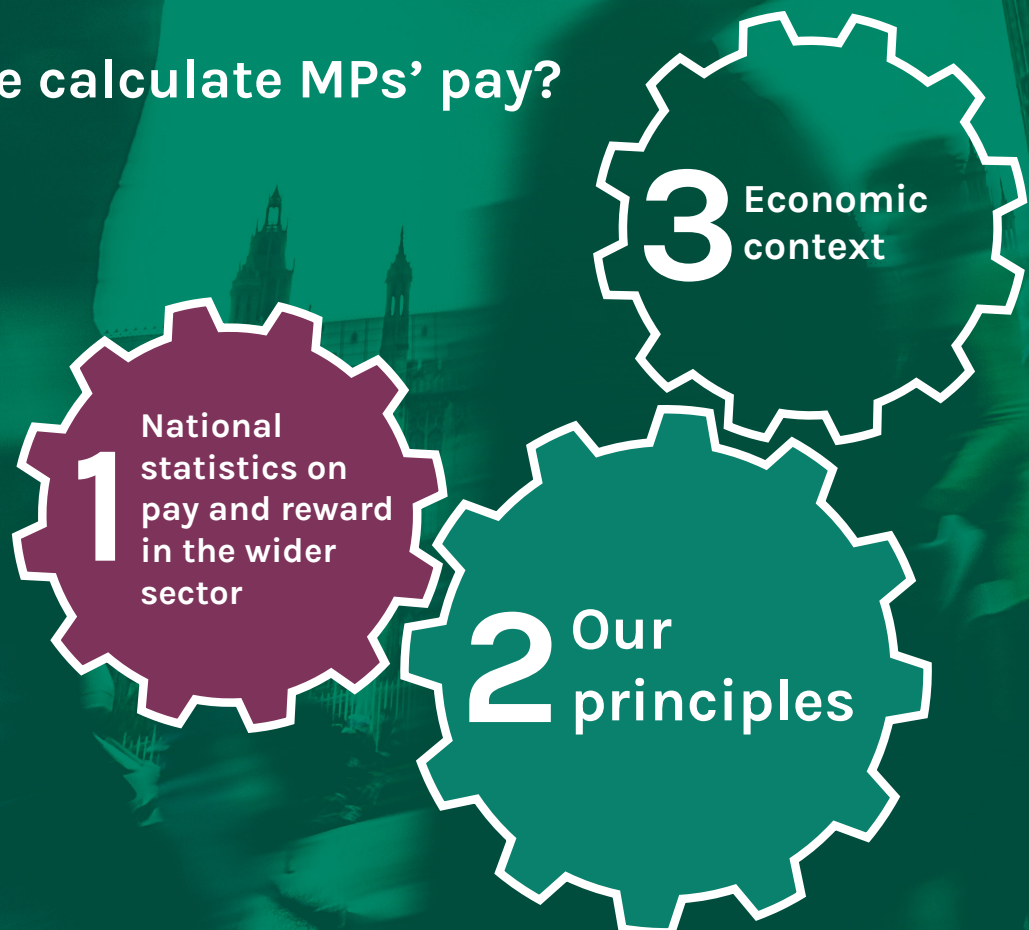
What is IPSA?

We are the Independent Parliamentary Standards Authority.

We have the legal duty to:

- regulate MPs' business expenditure
- determine MPs' pay and pension arrangements
- provide financial support to MPs in carrying out their parliamentary functions

How do we calculate MPs' pay?



Parliamentary pay worldwide

Country	Forum / organisation	2023 annual salary equivalent	Source
India	Commonwealth	£7,941	PRS Legislative Research
France	G7 / EU	£78,108	Assemblée nationale
New Zealand	Commonwealth	£78,521	Parliamentary Counsel Office
UK	G7 / Commonwealth	£86,584	IPSA
Eire	EU	£93,271	Tithe an Oireachtas
Italy	G7 / EU	£107,163	Parlamento Italiano
Germany	G7 / EU	£108,773	Deutscher Bundestag
Canada	G7	£113,607	Parliament of Canada
Australia	Commonwealth	£116,712	Parliament of Australia
USA	G7	£136,729	United States Senate

The pay decision for 2024

In recent years we have adjusted MPs' pay based on a measure produced by the Office for National Statistics (ONS), known as KAC9. The measure looks at the average weekly earnings in the public sector, with the annual growth in pay measured as a percentage.

In 2023, exceptional payments were made to some public sector workers – for example, one-off cost of living bonuses.

These payments resulted in the ONS measure we use not reflecting the pay increase the vast majority of the public sector saw.

The medium term trend in public sector pay is growth of 5.3% – based on the same official data – but also taking into account growth in pay since the start of the last financial year. This gives a view of what has been happening to public sector pay before, and after, the exceptional payments made to some lower paid frontline workers.

Our Board, therefore, took the view that the usual headline index we use was not providing the accurate read of the underlying trends in public sector pay we needed.

In other words, the index does not achieve what we need it to. Indeed, the ONS has urged caution in using it as a guide this year.

Given that one of the pay principles we use – that of reflecting the experience of other working citizens – could not be met by the metric published in December 2023, we decided to move away from using the measure for the 2024 pay increase.

Taking that – and other actual pay awards into account – we have decided the MPs' pay increase for the financial year 2024/25 should be 5.5%. This means MPs' pay will be £91,346 per year. The figure of 5.5% is in line with the award recently agreed for the Senior Civil Service.

Determining MPs' pay is not a responsibility we take lightly. Our pay principles require us to balance the need to enable people from all backgrounds and financial positions to serve in Parliament with the reality of what is going on in the wider economy.

Comparison data

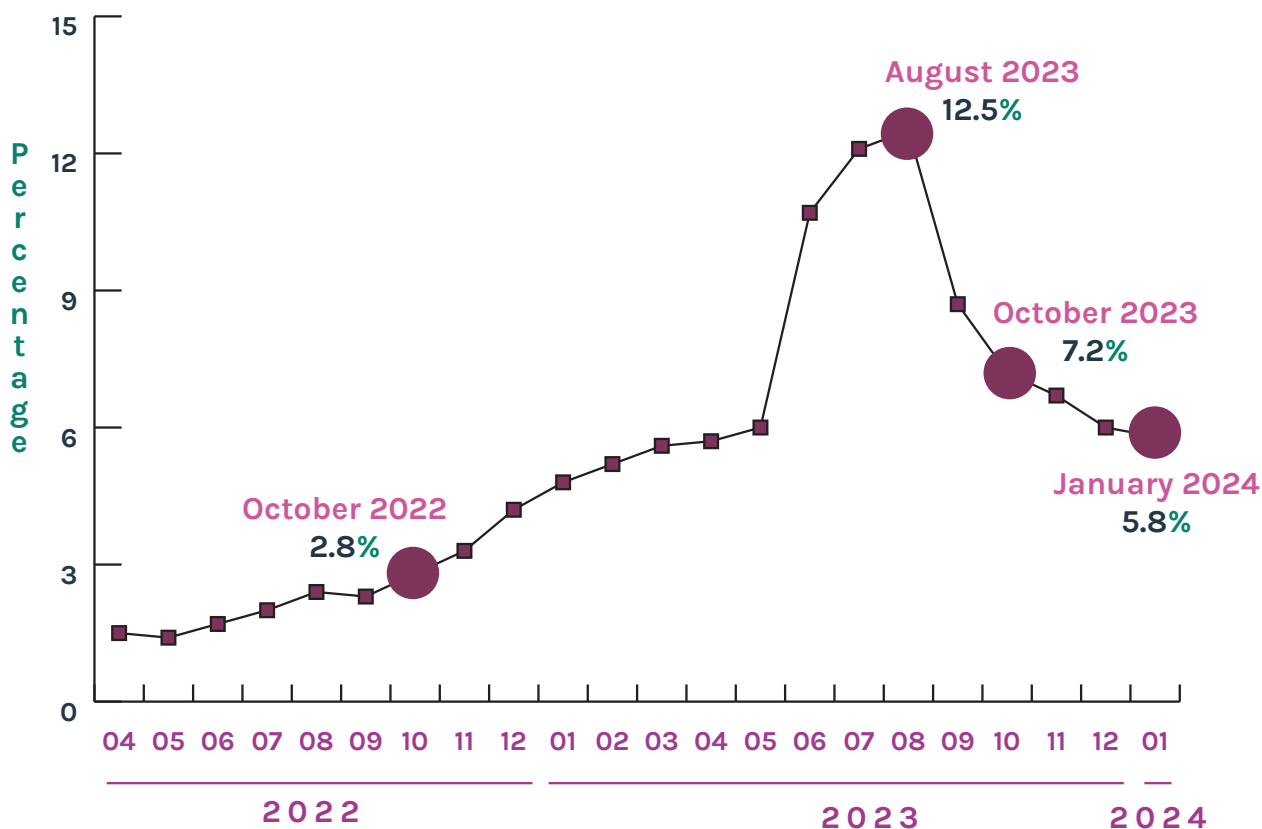
In making its decision, the Board considered several data points from organisations – such as the ONS – against IPSA’s pay principles.

We looked at the awards given to senior public sector figures in 2023 – including the NHS and Civil Service – which ranged between 5.5% and 7%.

We then compared these with the October 2023 ONS data. This showed the growth of total pay in the public sector measured by annual weekly earnings data (AWE [KAC8](#) and [KAC9](#)), and the growth in regular pay in the public sector (AWE [KAJ7](#)).

Our Board also considered the [ONS annual survey of hours and earnings](#).

From this data we concluded that, as shown in the graph below, the ONS KAC9 figure was significantly higher due to the exceptional payments made in 2023 to public sector workers and did not reflect actual pay increases in the sector.



AWE: Public sector year-on-year three month average growth (%) – seasonally adjusted total pay excluding arrears

Source: [Office for National Statistics](#)

What MPs are paid for

Running a constituency office

Running a constituency office is like running a small business – costs are incurred for renting, heating and lighting an office, providing services, and managing staff.

MPs do not decide what their pay should be

It is often an unseen part of an MP's role but requires good office management to ensure constituents receive the appropriate support they need.

Holding surgeries and attending community meetings

MPs meet constituents regularly to listen to their concerns, offer guidance, and provide assistance with various issues.

They also attend community meetings, events, and public gatherings to engage with constituents and understand their needs.

Responding to correspondence

MPs receive a significant amount of correspondence from constituents, including letters, emails, and phone calls.

They and their staff respond to these messages, address concerns, and provide information or guidance as needed.

Dealing with casework

The range of casework MPs deal with on behalf of their constituents is wide and varied. It includes assisting with housing or social welfare issues, immigration matters, healthcare, education, and any other issues constituents seek help with.

Casework involves liaising with relevant government departments, local authorities, or other organisations to resolve problems and advocate for constituents.

MPs can't claim for personal expenditure like food or drink during their normal working day

Public engagements

MPs are expected to be visible and to actively engage with their constituents.

This involves attending local events, speaking at public forums, supporting local initiatives, and building relationships with community organisations, businesses, and local government officials.

MPs' private homes and utilities are not paid for by the taxpayer

Performing their parliamentary and legislative duties

MPs play a crucial role in the legislative process. They are responsible for reviewing proposed legislation, attending parliamentary debates, participating in committee stages, and voting on bills. This requires in-depth research, analysis, and collaboration with other MPs.

The funding for running offices and employing staff does not go to MPs to top up their salary

They may serve on parliamentary committees focused on specific policy areas or inquiries. They attend committee meetings, review documents, conduct research, and contribute to the committee's reports, and recommendations.



MPs' pay timeline

October 2012

We consulted stakeholders about all aspects of MPs' pay and set out evidence about how MPs' pay compared with other professions, other parliamentary bodies in the UK and around the world, and with national average earnings over the past 100 years.

June 2015

The method of linking changes in national average earnings was amended to reflect changes in public sector earnings. At the start of each financial year MPs' pay would be linked to the annual percentage increase in the three months to the preceding October based on ONS figures. MPs' annual salaries increased to £74,962 in April 2016.

December 2020

MPs' pay would be unchanged for the financial year 2021-22. We concluded the method for determining pay would mean an increase inconsistent with the wider economic position and wouldn't reflect the reality faced by constituents due to the coronavirus pandemic. MPs' salaries remained at £81,932 in April 2021.

April 2022

MPs' pay increases to £84,144 from 1 April 2022.

March 2024

IPSA announces that MPs' pay will increase to £91,346 from April 2024.

December 2013

We published our first proposal for MPs' pay. Alongside other elements, and to reflect the fact MPs' pay had fallen behind other comparable roles, the proposal included a one-off increase to MPs' annual salaries from £67,060 to £74,000 in April 2015.

June 2018

Our statutory duty to review pay was fulfilled in May 2018. In June 2018, it was decided there would be no change in how MPs' pay is determined, given that a long-term solution had been decided only two years before. MPs' salaries increased to £79,468 in April 2019.

September 2021

Following consultation we confirmed that for the next three years, we would have limited discretion to depart from the ONS KAC9 figure if we judge it as the right thing to do.

April 2023

MPs' pay increases to £86,584.

**Decisions on what
MPs are paid are made
independently by IPSA**

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