

Review of MPs' remuneration

Consultation report

October 2018 (updated June 2019)





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Foreword by the IPSA Board

Members of Parliament have been paid a salary for their work since 1911. But, for 100 years until IPSA was established, MPs decided their own pay. At times, they found it too difficult politically to give themselves a pay rise. When they did, it was met with controversy.

In 2011, Parliament gave IPSA the power independently to determine MPs' remuneration. Following a review, we introduced a new pay package for MPs. This increased MPs' basic salary by 10% as a one-off catch-up, and we decided that each year we would adjust MPs' pay in line with published actual changes in average public sector earnings across the UK. At the same time, we reduced the benefits in the MPs' pension scheme to align it with other public service schemes, while protecting MPs close to retirement. And we reduced the payments made to MPs who lose office and tightened some of their entitlements to business costs.

We made these changes to set remuneration that is fair to MPs and affordable to the taxpayer. We were criticised by all sides. But the settlement has weathered well, and it is now generally accepted that MPs' pay should be linked to changes in the public sector.

We are required by law to review MPs' pay in the first year of each parliament. Thus, following the 2017 General Election, we considered these issues again. We did not propose significant change, given the extensive review in 2013, but we used feedback from MPs and others to examine specific areas – specifically MPs' loss-of-office payments and pensions – where we believed there might be evidence for change.

We are grateful to all those who responded to our consultation. The decisions set out in this report reflect what we believe to be fair, balancing our responsibility to ensure MPs are appropriately remunerated, with our duty to protect taxpayers' money.



**Ruth
Evans**

**Will
Lifford**

**Richard
Lloyd**

**Sir Robert
Owen**

**Rt Hon Jenny
Willott**

1 Introduction

1. This is the report on the public consultation held by the Independent Parliamentary Standards Authority (IPSA) on our review of MPs' remuneration – including their salary, pensions and the payments they receive upon losing office.
2. The consultation ran between 10 May and 15 June 2018. It complied with section 4A of the Parliamentary Standards Act 2009 and Schedule 6 of the Constitutional Reform and Governance Act 2010, which oblige us, when reviewing the arrangements for MPs' pay and pensions, to consult the following:
 - the Review Body on Senior Salaries;
 - the Minister for the Civil Service;
 - the Treasury;
 - the trustees of the MPs' pension fund;
 - the Government Actuary; and
 - other persons likely to be affected by the arrangements or IPSA otherwise considers appropriate.
3. We received nine written responses to the consultation, primarily from MPs, as well as from the trustees of the Parliamentary Contributory Pension Fund (PCPF) and the House of Commons Members' Fund (HCMF). There were also 38 responses to an online survey, many of which included written comments. Copies of the responses can be found on our website (www.theipsa.org.uk); we have removed names and other identifying information, but otherwise the responses are unedited.
4. In addition, during the consultation period, IPSA's Chair and Chief Executive met a number of MPs to provide a further opportunity for discussion and feedback, including members of the Parliamentary Labour Party, the 1922 Committee, as well as meetings of Liberal Democrat and Scottish National Party MPs.
5. The following chapters address each aspect of MPs' remuneration – basic salary, additional salary for Committee Chairs, Loss of Office Payments (LOOP), and pensions – in turn, summarising the responses we received to the consultation and the decisions we have made as a result. The final chapter assesses the impact of our decisions on equality and diversity.

2 Background

About MPs' pay and pensions

6. All MPs (as long as they have taken the Oath in Parliament) receive a basic annual salary of £77,379¹, which is paid monthly in arrears. Like employees in other walks of life, MPs pay income tax and national insurance through the PAYE system.
7. MPs who take on extra responsibilities as Select Committee Chairs or Members of the Panel of Chairs receive an additional salary of £15,509 which is also taxed. Some MPs also become Ministers and receive extra payments for those roles, but the level of these payments is determined and paid by the Government, not by IPSA.
8. On election, MPs are entitled to join the MPs' pension scheme, which provides a pension from age 65, or state pension age, or when the MP leaves Parliament, whichever date falls later. MPs pay contributions to the pension scheme at the rate of 11.09% of their basic salary; and accrue benefits on the basis of their career average revalued earnings (CARE) at the rate of accrual of 1/51st of basic salary per year. Some MPs also remain in the older section of the scheme, which allows them to accrue pension benefits based on their final salary.
9. MPs who lose their seats at an election are entitled to a Loss of Office payment (LOOP), equal to twice their statutory redundancy entitlement. This means that LOOP amounts vary depending on an individual's age and length of service. MPs with fewer than two years' continuous service are not entitled to any payment, in line with employment legislation that applies across the country. For tax purposes, LOOP is treated in the same way as a normal redundancy payment and no tax is payable on the first £30,000.

IPSA's reforms to date

10. Between 1911, when MPs first received remuneration, and 2010, when IPSA was established, MPs made decisions about their own pay. After the MPs' expenses scandal, Parliament for the first time gave the power to decide MPs' remuneration to an independent body. The Constitutional Reform and Governance Act 2010 amended the Parliamentary Standards Act 2009, giving this power to IPSA.
11. These powers came into force in 2011, and we embarked on a period of extensive review, looking at MPs' remuneration in the round – taking into account the total package that MPs receive: pay, pensions and expenses.
12. From the beginning, the review was conducted according to a set of principles: 1) MPs should be fairly remunerated; 2) the total cost should be affordable and fair; 3) remuneration should be seen as a whole package; 4) it should be simple to explain,

¹ In the 2018-19 financial year

understand and administer; 5) it should be sustainable; and 6) as far as is practicable, it should be determined in the same way as that for other citizens.

13. Between 2012 and 2015, we held four public consultations, conducted public opinion polling, surveyed MPs and carried out research into the arrangements in other countries' legislatures, as we sought to define our views.²
14. From May 2015, we put in place a reformed remuneration package for MPs. The main elements were as follows:
 - a one-off increase in MPs' salary of around 10%;
 - thereafter, annual adjustments to MPs' salary in line with average public sector earnings;
 - reductions to MPs' pension benefits to align them with other public service pension schemes; and
 - reduction in the amounts former MPs could receive as resettlement payments (which were renamed 'Loss of Office payments') when they leave Parliament.
15. At the same time, we made some changes to tighten MPs' business costs rules further and also invited MPs to produce an annual commentary on their spending, in order to help members of the public understand their expenditure and how they were carrying out their parliamentary roles with financial support from the taxpayer.
16. In 2016, we completed our review of the additional salaries paid to Select Committee Chairs and Members of the Panel of Chairs.³ From June 2016 we implemented our changes: a single rate of additional salary for all relevant MPs, to be adjusted annually in line with the change in public sector earnings, as for the MPs' basic salary.
17. Our remuneration package for MPs was intended to be a long-term solution, and we did not expect to have to review MPs' remuneration again until 2020. However, we are required by legislation to review MPs' salary in the first year of a Parliament, and so following the unexpected election in June 2017, we consulted the public and others again.
18. As the current package of remuneration for MPs had come into effect just two years before, we did not seek to reopen the question of MPs' salaries from first principles. We did however think there was a case for some changes to the arrangements for LOOP and a need to correct technical issues in the MPs' pension scheme.

² The consultation documents published in February 2012, October 2012, July 2013 and July 2015 and subsequent reports can be found on IPSA's website:

<http://www.theipsa.org.uk/publications/consultations/review-of-mps-pay-and-pensions/>

³ The consultation document and report relating to the review of Committee Chairs pay is also available here:

<http://www.theipsa.org.uk/publications/consultations/review-of-mps-pay-and-pensions/>

3 MPs' salary

19. The current arrangements for MPs' salary have been in place since May 2015 following an extensive period of review, research and consultation. This work took into account:
- The historical context, which showed that MPs' pay had fallen behind when compared with earnings in the rest of the economy;
 - The role of an MP, although it was clear that there was no single view about what an MP should do or what their priorities should be;
 - Views of members of the public, using independent public opinion research, focus groups and citizens' juries, media interviews, and an interactive website with a survey, polls, blogs, and a comments board;
 - Views from MPs themselves, including correspondence and discussions with individual MPs and an anonymous survey of 100 MPs conducted by YouGov on our behalf; and
 - Comparisons with pay in other countries' legislatures and with the salaries of other occupations which could be considered 'comparable' with the role of MPs.
20. We announced our decision to implement an increase of about 10% in December 2013. In June 2015, one month after the 2015 General Election, we conducted another short consultation to ask whether there had been any changes in the intervening period which meant that we should reconsider the decision. We did not receive evidence that this was the case, and on 16 July 2015 we announced our final decision, with all MPs receiving the increased salary backdated to May 2015. From then on, annual adjustments to MPs' pay have been linked to changes in average earnings in the public sector as reported by the Office for National Statistics.

	Annual salary	% increase
2015-16	£74,000	10.3%
2016-17	£74,962	1.3%
2017-18	£76,011	1.4%
2018-19	£77,379	1.8%

21. We were obliged by law to review MPs' pay again following the snap General Election in 2017. But we did not believe there was a case to change the arrangements that we had put in place in 2015. Nevertheless, we looked again at the work we had carried out in the previous review. We updated information on comparator salaries in other professions and international legislatures, and we looked at whether there had been any significant change in the ratio of MPs' pay to average salaries in the UK.

22. In the consultation, we proposed to continue to adjust the MPs' salary in line with the annual change in public sector earnings, but not make any other change to the arrangements.

QUESTION 1: Do you agree that the current arrangements for MPs' salary are appropriate?

Responses received

23. Only two of the written responses addressed the question of MPs' salary. Meanwhile, nearly all survey responses addressed this question. 51% answered 'yes'; 37% answered 'no'; and 11% answered 'not sure'.
24. One MP was strongly supportive of the current approach to determining salaries, saying: 'I think it would be a total folly to abandon the defensible and automatic adjusting [of] MP's [sic] salaries regularly that we have had since 2015.'
25. Some survey respondents believed that MPs' pay was too high. One member of the public suggested that pay rises for MPs should be restricted to the lowest increase applied in the public sector, meaning currently a cap of 1%.
26. A small number of respondents argued that MPs were still underpaid. One anonymous respondent compared MPs' salary to the salaries of senior judicial figures, such as High Court judges, who are paid £181,566 per annum, and more junior judicial figures such as District Judges who are paid £108,171 per annum. This respondent supported increasing MPs' salary to £83,430 as a minimum (as this is the amount the salary would have been in 2015 if the ratio of MPs' salary to national average earnings had been restored to the historical average 3.16).
27. One respondent to the survey, a member of the public, suggested that 'bonuses' could be introduced to recognise that some MPs do more work than others for their constituents, and some have to deal with death threats or online abuse because of the positions they have taken. One MP's staff member suggested that MPs should get an allowance to help with childcare costs, particularly London MPs with small children, as Parliament sits late into the night several times a week and out-of-hours childcare is costly.
28. Although it was not directly related to the issue being consulted on, a number of MPs' staff members who responded to the survey advocated linking staff salaries to the same index (average earning in the public sector) that is used for adjustments to MPs' salary. Some said that the recent increase to the staffing budget was not being passed on to staff. One staff member commented on how poorly their office was run, how much work MPs' staff do, and how little they are paid in comparison.

QUESTION 2: Do you have any other comments about the way MPs' salary is determined?

Responses received

29. The comments on this question were largely the same as (and in some cases identical to) those for the previous question.
30. In addition, one MP's staff member suggested that a case management system should be created which can produce statistics of casework, campaigns and parliamentary activities to give an idea of MPs' workloads and those of their staff.
31. A member of the public suggested an alternative method for determining MPs' salary: that the increase should be whichever is the lower of the annual change in CPI, RPI, the FTSE-100 index, or the value of the UK economy. This would mean that MPs' salaries would fall in times of economic crisis, just like everyone else's.

Our position

32. We continue to be of the view that the current arrangement for MPs' salary is appropriate. Although the consultation responses showed that there may still be some mixed views (particularly among members of the public), we have found that MPs, members of the public and the media have largely accepted IPSA's current approach. The linking of future adjustments to the index of average earnings in the public sector provides a straightforward mechanism which we believe has largely de-politicised annual decisions about MPs' pay.
33. We do not think that introducing a system of 'bonuses' or another type of performance-related pay for MPs would be appropriate. It is not for IPSA to judge an MP's performance; that is for voters.
34. The determination on MPs' salary, unchanged, is at Annex A. Since the consultation was held, a further annual increase of 2.7% has been made to MPs' pay, bringing it to £79,468 from April 2019.
35. The consultation responses also raised other issues which were not directly related to MPs' pay, including the arrangements for increases to MPs' staff members' pay. We currently adjust MPs' staffing budgets annually, in order to allow them to make annual increases to their staff's pay. We do not mandate that individual staff members' salaries must be increased by a certain amount as it is for MPs, as the employer, to decide how best to use their budgets.

4 Additional salary for Committee Chairs

36. Some MPs with additional responsibilities also receive an amount on top of their basic salary. IPSA is responsible for setting the additional salaries paid to Chairs of Select Committees and Members of the Panel of Chairs.
37. Select Committees scrutinise government spending, policy and administration, and some are involved in a range of on-going issues or investigations, including the administration of the House itself or allegations about the conduct of individual MPs. Meanwhile, Members of the Panel may chair Public Bill Committees, formed to scrutinise specific items of legislation, and may also chair debates in Westminster Hall or, on occasion, in the main chamber of the House of Commons.
38. MPs are allowed to serve both as a Chair of a Select Committee and as a Member of the Panel of Chairs, but are only allowed to receive one additional salary.
39. Responsibility for setting and paying the additional salary for Chairs of Select Committees passed to IPSA in 2011. We carried out a full review of pay arrangements for Committee Chairs, and published a consultation in March 2016. For Chairs of Select Committees, we proposed retaining the current flat rate of pay. For Members of the Panel of Chairs, we proposed that the structure of additional salary payments should be streamlined to a single rate rather than a tiered level of payment depending on years of service, as had previously been the case.
40. We concluded that the single rate should be set at what was the highest tier and equivalent to the additional salary paid to Select Committee Chairs (£15,025 at the time). This reflects the fact that, once Members of the Panel of Chairs have experience in the role, Parliament values their contribution equally to that of Select Committee Chairs. And, while the work of Members of the Panel of Chairs can be less visible than that of Select Committee Chairs, it is no less valuable to the workings of Parliament.
41. IPSA's determination on the additional salary for Committee Chairs came into effect in June 2016. Similar to MPs' basic salaries, we linked future adjustments to the annual change in public sector earnings.
42. This determination has provided for small adjustments to the additional salary for Committee Chairs in 2016-17, 2017-18 and 2018-19, in line with the index of average earnings in the public sector.

	Annual salary	% increase
2016-17	£15,025	1.3%
2017-18	£15,235	1.4%
2018-19	£15,509	1.8%

43. At the time we consulted on MPs' remuneration in 2018, we had not had any feedback or evidence to suggest that the determination for Committee Chairs was not appropriate. We therefore proposed to continue with the current arrangements.

QUESTION 3: Do you agree that the current arrangements for the additional salary paid to Chairs of Select Committees and Members of the Panel of Chairs are appropriate?

Responses received

44. None of the written consultation responses addressed the issue of Committee Chairs' pay, but most survey respondents did answer this question. 61% answered 'yes'; 27% answered 'no'; and 12% answered 'not sure'. Those who said 'no' were primarily members of the public.
45. Nearly all of the free-text comments in relation to this question were from respondents who did not think that MPs should receive any additional salary for their role as a Select Committee Chair or Member of the Panel of Chairs. A few members of the public said that this work was part of MPs' 'day job' for which they were already paid. One MP's staff member suggested that the additional amount should be passed to the MP's staff whose workloads will inevitably increase when their employer becomes a Committee Chair.

QUESTION 4: Do you have any other comments on how the additional salary for MPs who are Chairs of Select Committees or Members of the Panel of Chairs is determined?

Responses received

46. Only four survey respondents provided comments on this question. Again, they were not in favour of providing an additional salary to MPs who take on the role of Select Committee Chairs or members of the Panel of Chairs.
47. As for Question 2 above, one staff member suggested that a case management system should be used to monitor the actual work done by MPs as Committee Chairs so that payments can be performance-based. And one staff member again advocated additional salary for the MPs' staff who take on extra work as a result of their employer's role as a Committee Chair.

Our position

48. We have not made any change to the arrangements for the additional salary paid to MPs who are Select Committee Chairs or Members of the Panel of Chairs.
49. The determination on Committee Chairs' pay, unchanged, is at Annex B. Since the consultation was held, a further annual increase of 2.7% has been made to the additional salary for Committee Chairs, raising it to £15,925 from April 2019.

5 Loss of Office payments

50. The Parliamentary Standards Act 2009 does not allow IPSA to pay a salary to former MPs, but it does give IPSA the power to make payments to former MPs 'in connection with a person's ceasing to be a member of the House of Commons'.
51. Payments made to MPs leaving Parliament were first introduced in 1971 and initially were only available to MPs who lost their seats. By 2010 they had been extended so that 'resettlement payments' were available to all MPs who left Parliament, including those who retired voluntarily. They could be as much as 100% of an MP's annual salary.
52. Resettlement payments formed part of IPSA's wider review of MPs' remuneration between 2012 and 2015. We introduced interim arrangements for the 2015 General Election which mirrored those in place in the National Assembly of Wales. It provided for a resettlement payment of one month's salary for every year of service in the House of Commons, up to a maximum of six months. As we did not consider it appropriate to fund MPs who decide to step down voluntarily, it was only available to an MP who stood for re-election to the same seat and was defeated.
53. In 2015 we also announced that in future we would move to a system of 'Loss of Office payments' (LOOP), which would be equivalent to double an individual's statutory redundancy entitlement, and payable only to MPs who lose their seats. Because it is based on statutory entitlement, former MPs must have at least two years' continuous service to receive LOOP. We decided that this new arrangement would come into effect from the next election after May 2015.
54. We assumed that the new arrangements would take effect in 2020, when most MPs elected in 2015 would have had at least five years' service. However, the snap General Election in June 2017 meant that the parliamentary term ended after only two years, so MPs who lost their seats were entitled to less than they might have expected. It also meant that one former MP, who had only 10 months' service, was not entitled to any LOOP, as for anyone with less than two years' employment.
55. LOOP entitlements after the 2017 election ranged from just under £2,000 to just under £30,000, with an average of about £8,820. In contrast, the average payment after the 2015 General Election was £30,600.
56. MPs expressed their concerns, before and after the 2017 election, that the relatively low LOOP entitlements could cause significant financial difficulty for them or their colleagues. If MPs lost their seats, not only would they find themselves abruptly without any income (as we cease to pay MPs' salaries on the day of the poll), but they would need to work on winding up their parliamentary affairs for up to two months, unable to begin any new employment. Furthermore, because of the unexpected nature of the election, they would only have had six weeks' notice that losing their job was a possibility.

57. In the consultation, we suggested that there was a case for increasing the financial support available for former MPs who have lost their seats at an election, while they are winding up their parliamentary affairs. We recognised that we require former MPs to work for up to two months to wind up their affairs and close their offices, without receiving a salary, and therefore proposed an additional payment equivalent to two months' net salary.

QUESTION 5: Do you think that an amount equal to two months' net (take home) salary should be paid in addition to Loss of Office payments for former MPs who have lost their seats?

Responses received

58. A majority of respondents (56%) to the online survey replied 'yes'; while 38% answered 'no' and 6% answered 'not sure'. Those who said 'yes' were a mixture of MPs and MPs' staff members; while those who said 'no' were nearly all members of the public.
59. Five of the written responses addressed this question, all of which were supportive of the proposal to increase financial support to former MPs. For instance, the response from the 1922 Committee of backbench Conservative MPs said that paying former MPs the equivalent of two months' salary during the winding-up period would bring them in line with their staff, who are paid salaries during the period.
60. The Trustees of the House of Commons Members' Fund (HCMF), which was set up to provide support to former MPs who find themselves in financial difficulties, offered evidence that the current LOOP arrangements were a factor in the hardship experienced by some individuals after the 2017 General Election. According to the HCMF, six former MPs applied for assistance, citing the fact that LOOP was significantly reduced from the previous resettlement arrangements and that it was withheld till the end of winding up.
61. One MP argued that the introduction of LOOP, which represented a decrease in the amounts paid to former MPs, was a 'profound mistake' which would deter many people, particularly women, from giving up well-paid careers in order to enter Parliament.
62. Some respondents advocated a larger amount to be paid to former MPs than what was proposed in the consultation. A small number of responses, including the one from the Trustees of the HCMF, stated this should be increased to three months' salary.
63. On the other hand, some respondents disputed the argument that MPs who have lost their seats needed any more financial support. One member of the public argued that the payment of LOOP is already sufficient. Another member of the public questioned whether former MPs really do two months of work after they have lost office; and one MP's staff member argued that it was staff who do most of the work to wind up the office, rather than former MPs.

QUESTION 6: Do you think that former MPs who stand down at a snap General Election, but not at a planned General Election, should also be entitled to the equivalent of two months' net salary?

Responses received

64. Half of respondents to the online survey answered 'yes', while just less than half (47%) answered 'no'. As with Question 5, those who said 'no' were nearly all members of the public. Again, all of the written responses were supportive of the proposal.
65. Those respondents who expressed support agreed that it would recognise that MPs who stand down at a snap election would need to work for up to two months to wind up their offices while unable to undertake alternative paid employment.
66. The written response from the 1922 Committee of MPs maintained that a snap election could 'force the hand of an MP', causing them to retire earlier than intended, rather than to contest the election and potentially remain in office for a further five years.
67. Two MPs agreed with the proposal, but argued that all MPs leaving Parliament, whether at a snap election or at the end of a fixed term, face the same challenges of winding up; and that expecting an MP who stands down to have the ability to wind up their affairs before the election would result in a poorer service to constituents. One of these MPs also said that it would not be appropriate for an MP to be interviewed for other jobs in the months before they stand down, and that this could risk creating conflicts of interest.
68. The response from the HCMF also urged IPSA to consider extending the payment to those MPs who are deselected at a planned or snap election.
69. On the other hand, a number of respondents who disagreed with the proposal asserted that MPs who stand down should have had time to plan for their post-politics career. An MP's staff member said that, if an MP chooses to leave, they should not be rewarded beyond the salary they are entitled to. Similarly, another staff member said that MPs should deal with the consequences of standing down and have the foresight to have planned for what they will do next.
70. One staff member said that MPs have 'earned sufficient to cover them' for two months without salary.
71. A small number of respondents argued for different amounts to be paid to MPs who stand down at a snap election. One member of the public proposed three months' salary; while another proposed one month's salary.

QUESTION 7: Are there any other changes that we should make to the arrangements for Loss of Office payments?

Responses received

72. In response to this invitation for further comments about the arrangements for LOOP, some respondents argued that the payments provided for in the current rules are too low. One anonymous respondent said that LOOP should be paid to all former MPs, including those who stand down, if they are not yet eligible to receive their pension.
73. The response from the 1922 Committee expressed concern over the reduction in the average level of payment to former MPs, from £36,600 after the 2015 election to £8,820 after the 2017 election, saying this 'does not reflect well on IPSA, or its aim to strike the right balance between the interests of the taxpayer and those that it regulates'. The Committee encouraged IPSA to set a minimum LOOP amount equivalent to that payable for two years' service, so that those individuals with fewer than two years' service as an MP would still be entitled to this minimum amount.
74. One MP, who submitted a written response, asked whether IPSA had sought evidence on how easily former MPs found new employment. They cited a reluctance among employers to hire former MPs and a growing opinion that MPs should be prevented from using their political experience, expertise or contacts in future employment, which puts them in a uniquely unfavourable position.
75. A number of MPs' staff members provided comments about the position of MPs' staff when their employer retires or loses office. One respondent said that staff are in a 'more precarious position' than former MPs in these circumstances, and there should be an agreed payment to staff if MPs decide to stand down. Another urged IPSA to 'protect staff salaries at all costs'.
76. There were a number of suggestions for alternative arrangements. One MP who responded to the online survey argued for a payment of six months' salary, based on 'restrictions' on the employment that former MPs can pursue after they leave Parliament. One member of the public said that, if an MP loses their seat by a majority of less than 500, the payment should be increased by 25%.
77. Other comments included:
- There should be stricter rules around MPs having to close down their offices in a timely fashion and enforcement of this requirement (made by a member of the public).
 - Departing MPs and staff who are made redundant due to the MP losing their seat should be given full support and advice by an employment consultancy to help them seek new employment (made by an MP's staff member).

Our position

78. We have decided to implement the proposal made in the consultation, to introduce a 'winding-up payment' to former MPs who have lost their seats at a General Election, equal to two months' net salary. We believe it is fair to recognise that these former MPs

are required to work for up to two months after the election to wind up their offices. This new payment will also be introduced for MPs who stand down at a snap General Election.

79. The amount will be calculated using the prevailing MPs' salary and standard tax and National Insurance deductions⁴, and would be paid to all eligible MPs at the start of the winding-up period along with their final salary payment.
80. We are not persuaded that this new winding-up payment should be made to MPs who stand down at a planned election. They will have had a fair amount of notice of the date of the next election, and we believe it is reasonable for them to have planned their transition out of Parliament.
81. Following our comprehensive review in 2016 of the Scheme of MPs' Business Costs and Expenses, we changed the rules relating to LOOP. An eligible former MP can now request a partial payment of their LOOP (equal to the remainder of their notional salary for the month of the election) at the start of the winding up period, which is deducted from their full entitlement. This was in order to provide some financial support to former MPs and to recognise that IPSA's withholding the whole of LOOP until winding up has been completed may be unfair on MPs if waiting for final bills that are outside their control.
82. Because the new winding-up payment will be made at the start of the winding-up period, we do not think there is any longer a need to allow former MPs to request part of their LOOP up front. Under the revised rules, LOOP will be paid in its entirety once winding-up has been completed. We will still enable former MPs to request that any outstanding money owed to IPSA is subtracted from their LOOP entitlement, for administrative efficiency.
83. Otherwise, the arrangements for LOOP remain unchanged. While we acknowledge that some believe these payments to be too low, we believe that this remuneration package is, overall, appropriate and fair to both MPs and the taxpayer.
84. A small number of respondents expressed concern about the position of staff members when an MP leaves Parliament. All staff members with at least two years' continuous service are entitled to redundancy payments, in line with normal employment practice. Those staff members on IPSA model contracts would be entitled to twice the prevailing statutory rate.
85. The revised rules can be found in the 2019-20 version of the Scheme.

⁴ Using the basic MPs' salary in 2018-19, this would currently be around £8,800.

6 MPs' pensions

86. The MPs' pension scheme, the Parliamentary Contributory Pension Fund (PCPF), has two parts: a historical section which allows longstanding MPs to accrue benefits based on their final salary (the 'final salary section'); and a newer section, put in place by IPSA in 2015, which allows new MPs to accrue benefits on the basis of career average revalued earnings (the 'CARE section'). Both sections currently have contributing members, because when the CARE section came into effect in 2015, those MPs closest to retirement age retained transitional protection which allowed them to continue to accrue benefits in the final salary section.
87. IPSA is responsible for setting the rules of the MPs' pension scheme. Decisions regarding the management and investment of assets of the PCPF are the responsibility of the Board of Trustees, and day-to-day administration is carried out by a team in the House of Commons.
88. In the past, the majority of public service pension arrangements were final salary schemes. The last decade saw a shift away from final salary schemes, due to rising costs, which were considered to be shared unfairly between employees, employers and taxpayers.
89. In 2011 the Independent Public Service Pensions Commission (also known as the 'Hutton Commission') made recommendations to ensure public service pension arrangements were sustainable and affordable in the long term; fair to the public sector workforce and the taxpayer; and consistent with fiscal challenges ahead, while protecting accrued rights. Key recommendations in the report included that public service schemes should move to a CARE-based model, and that the pension age should be linked to the state pension age (subject to a minimum of age 65). The Public Service Pensions Act 2013 established a framework for the introduction of new public service pension schemes from April 2015.
90. In October 2012, IPSA set out options for the creation of a reformed MPs' pension scheme which would be aligned with the changes taking place elsewhere in the public sector. We used the Government's Reference Scheme as the basis for development of a new CARE section of the MPs' pension scheme. Recognising the very high costs of the final salary scheme for both MPs and the taxpayer, we aimed to reduce costs in the new CARE section of the scheme to 22.9% of salaries.⁵
91. The reformed pension scheme was a key part of the new package for MPs' remuneration which we proposed in July 2013. The new CARE section is less generous than the final salary section. We judged, following consultation, that it was appropriate for MPs to bear 46% of the cost, versus 54% to be borne by the taxpayer (whereas previously MPs had borne around 34% of the cost). IPSA's intention was for the MPs' scheme to be, as far as appropriate, aligned with other public service schemes and in particular the Civil Service

⁵ This was close to the cost ceilings proposed by the Government for its reforms of the main public service pension schemes: 21.9% for the NHS scheme; 22.5% for the civil service scheme; 21.7% for the teachers' scheme and 20.4% for the local government scheme.

pension scheme, although we made decisions based on what we believed was appropriate for the MPs' scheme itself.

92. All MPs elected for the first time in the May 2015 election were automatically put into the CARE scheme (unless they opted out or benefited from transitional protection). Those who were age 55 or over on 1 April 2013 benefited from full transitional protection, meaning they would continue to contribute and accrue pension under the final salary section for the remainder of their service. Those who were between 51 and a half and 55 years of age benefited from protection for a certain amount of time before transferring to the CARE section. All benefits accrued under the final salary section before 8 May 2015 were protected.
93. Some of the key differences between the two parts of the pension scheme are summarised in the table below.

	Final salary section	CARE section
Accrual rates	Choice of accrual rates: 1/40 th , 1/50 th or 1/60 th , based on final salary	An accrual rate of 1/51 st of pensionable earnings, revalued annually in line with the Consumer Prices Index (CPI)
Contribution rates	Accrual rates matched by contribution rates of 13.75%, 9.75% and 7.75%, respectively	Just one level of pension contribution for all members: currently this is 11.09% of pay, but could vary with changes to the cost of the scheme
Normal retirement age	Normal Retirement Age of 65	Normal Pension Age equal to, and increasing in line with, State Pension Age
Dependant and child pensions	Dependants receive 5/8ths of pension, plus child pensions payable	Dependants eligible for a pension of 3/8ths of the member's pension, with child pensions also payable
Death-in-service benefits	Lump sum death benefit of 4 times salary	Lump sum death benefit of 2 times salary plus refund of member contributions
Early and late retirement	Provision for 'cost neutral' early retirement reductions but no late retirement increases available	Provision for 'cost neutral' early retirement reductions and late retirement increases to pensions
Ill health retirement	Options to retire early due to ill health	Options to retire early due to ill health
Buying additional pension	Option to buy added years or pay Additional Voluntary Contributions (AVCs)	Option to buy added pension, pay AVCs or buy a reduction in pension age
Cashing in for a lump sum	Age related factors used to calculate the amount of lump sum available	Option to exchange same pension for a tax-free lump sum at a fixed rate of £12 of lump sum bought for £1 of pension

94. We believe that the reformed pension scheme continues to be appropriate. There have been no significant changes in other public service schemes which would warrant a fundamental re-examination of the MPs' pension scheme. However, we have had feedback from the PCPF Trustees, the House of Commons pension unit and some MPs that there may be a need to make some minor changes to the pension scheme. We therefore consulted on some limited changes to the benefits provided to MPs who are members of the pension scheme, as well as technical clarifications and corrections in the rules to make the operation of the scheme easier.
95. In considering any further changes, we were guided by the following principles:
- As both the final salary and CARE sections of the MPs' pension scheme fall within IPSA's remit, we will consider changes to both.
 - The pension scheme rules should be as clear as possible, with minimal need for interpretation by the Trustees or House of Commons pensions unit.
 - The pension scheme rules should be amended to remove perverse consequences, meaning those which are contrary to the intention behind the rules.
 - The pension scheme rules should be amended to remove defects, meaning rules which make implementation of the scheme needlessly difficult.
96. We also considered the impact on equality and diversity, and undertook an Equality Impact Assessment (see Annex C).

QUESTION 8: Do you agree that the principles for the current review of MPs' pensions are the right ones?

Responses received

97. One of the written responses, from the PCPF, offered a brief 'yes' in response to this question.
98. In the online survey, 56.7% of respondents said 'yes'; 20% said 'no'; and 23.3% said 'not sure'.
99. There were a range of views offered as free-text comments in the survey. One respondent, a member of the public, described the pension scheme as 'patently over generous', and another stated that the final salary section was out of step with that of the majority of employees in the UK. A small number of respondents supported aligning MPs' pensions with those for the Civil Service. One member of the public argued that any changes to the pension scheme should ensure that the whole 'package', including the 2015 pay rise for MPs, remains cost neutral.

Our position

100. The responses to this question confirmed general agreement with the principles for the review. We noted there were some concerns about the cost of the MPs' pension scheme. However, we do not intend to make any fundamental changes to the structure of the pension scheme: the CARE section was based on the Government Reference Scheme at the time of the reforms, while the final salary section is a historical scheme which it would not be appropriate to amend significantly.

Payments for MPs who die in the line of duty

101. The MPs' pension scheme provides for lump sum payments and survivors' pensions in the event that a scheme member dies while in service. These are lower in the CARE section, compared with the final salary section. Most notably, the lump sum payments in the CARE section were reduced to an amount equal to two times the MP's annual salary (as opposed to four times annual salary previously). This change brought the CARE section of the MPs' pension scheme in line with other schemes in the public sector, such as the Civil Service.

102. However, the level of death-in-service payments became the subject of discussion again following the murder of Jo Cox in June 2016. In other walks of life, injury benefit schemes provide for 'top up' payments to be made in circumstances where an employee has been injured (and therefore is not able to work) or killed in circumstances directly attributable to their employment. Injury benefit schemes exist in other parts of the public sector, including in the Civil Service. The Civil Service Injury Benefit Scheme (CSIBS) also applies to Ministers in respect of their ministerial duties.

103. We believe there is a gap in the provisions for MPs who are killed in the line of duty, when compared with other comparable professions, but concluded that it was not within IPSA's remit to establish an injury benefit scheme for MPs. Instead we proposed to amend the CARE rules of the MPs' pension scheme so that the lump sum death-in-service payment would be increased to four times annual salary (in other words, equal to the level of payments provided by the final salary section for deaths in service) in cases where the MP has died in certain circumstances defined as 'in the line of duty'.

QUESTION 9: Do you agree that the CARE section of the MPs' pension scheme should be changed to provide a higher lump sum, equal to four times annual salary, payable to an MP's beneficiaries in the event that the MP is killed in the line of duty?

Responses received

104. In the online survey, 61.3% of respondents said 'yes'; 22.6% said 'no'; and 16.1% said 'not sure'. All five of the MPs who responded to this question answered 'yes'.

105. There were four written responses which addressed this question, all of which were in favour of increasing the provision of death-in-service benefits for MPs who die in the line of duty.
106. The PCPF Trustees' response was the most comprehensive and outlined a counter-proposal to the one made in the consultation document. The Trustees proposed to align the benefits with what would be provided under the CSIBS: a lump sum of 2.5 times the MP's annual salary and survivors' pension calculated as 45% of salary (compared with the normal survivors' pension provided under the CARE section of 37.5% of the MP's accrued pension). The Trustees argued that, while IPSA's proposal would mean that an MP's survivors would receive a higher lump sum initially, their counter-proposal would provide greater financial support to survivors on a longer-term basis. This last point would be particularly important for the survivors of short-serving MPs, who would not have accrued very much in the pension scheme.
107. The Trustees also noted concerns expressed in the consultation document that introducing a distinction between deaths 'in the line of duty' and other deaths in service would require them to take on a role in making judgements in individual cases. They responded that they thought they would be an appropriate body to make such judgements, and were willing to take on the responsibility. They added that they believe the definition should set out a framework so that the decision would be obvious in many cases and the Trustees would only have a material role in borderline cases. They also said the drafting should enable the Trustees to interpret each case consistently with the relevant civil service schemes, as far as possible, to try to achieve consistency of outcome among public servants.
108. Other responses were generally supportive. One MP cited the international travel MPs undertake on parliamentary business which can put them at 'not inconsiderable personal risk', as well as the terror threat on the parliamentary estate, and agreed that there should be proper provision for families if they are killed.
109. The HCMF Trustees' response echoed the recommendation of the PCPF Trustees and cited the murder of Jo Cox and its consequences as a reason why change was needed.
110. On the other hand, some written comments in the online survey were not in favour of an increase to payments for MPs who die in the line of duty. One member of the public argued that the lump sum should be left as twice annual salary. Another wondered how often such a provision would ever be used. A third commented that 'the tenure of [an MP's] job is for 5 years only'.

Our position

111. We have decided to amend the CARE section of the pension scheme to increase the benefits paid to survivors of MPs who die in the line of duty. We believe this is an important recognition of the risks increasingly faced by MPs and others in political life, and that it is right to ensure that, in the event an MP is killed as a result of their job, their families are provided for.

112. We have been persuaded by the PCPF Trustees' suggestion to increase provision in the CARE section of the pension scheme for MPs who die in the line of duty to a lump sum payment of 2.5 times salary and a survivor pension of 45% of annual salary. While the lump sum amount is lower than our original proposal, the survivor pension would in the majority of cases be higher. It therefore responds much better than our original proposal, to the concern to provide long-term financial support for MPs' family members. This would particularly apply to the family members of MPs with relatively short length of service, who had not yet accrued much pension (as the survivors' pension in the case of death in service would otherwise be calculated based on accrued pension).
113. We also believe that it is appropriate to align the benefits paid in the event of death of an MP in the line of duty with what would be available under the Civil Service Injury Benefit Scheme (CSIBS). This is consistent with one of the principles which guided IPSA's previous reform of the MPs' pension scheme, which is that, as far as practicable, it should be in line with what is available for other citizens.
114. This revised proposal would involve a higher cost than our original proposal, because of the increased survivor pension, but we believe – and indeed hope – that such events will be extremely rare. Any additional costs would be very small in relation to the overall cost of the pension fund.
115. We acknowledged some of the potential drawbacks of this approach in the consultation document. For instance, the enhanced benefits would only be available in respect of MPs who were members of the pension scheme, so MPs who had opted out of the pension scheme would be at a disadvantage (as they are not entitled to death-in-service payments in any circumstances). We nonetheless believe that this is the most appropriate change, given what is possible within ISPA's remit.

Other changes to benefit design

116. Other issues were raised with us by the PCPF Trustees and relate to potential changes to the benefits that pension scheme members would be entitled to under the final salary or CARE sections. We took the opportunity to seek views on these.

Survivors' pensions for unmarried partners where the member left service before 2004

117. This is an issue in the final salary section only. Changes to the pre-existing regulations in 2004 meant that pensions for surviving unmarried partners are payable only in relation to those who were active members in the scheme from 3 November 2004. Where a member left service before that date, survivors' pensions are only payable to surviving spouses and children. The way the change was implemented created a 'cliff edge' for members with unmarried partners who left service before 3 November 2004.

118. We consulted on changes which would extend the same survivors' pensions to unmarried partners of all members, regardless of when they ceased to be active members of the scheme.

QUESTION 10: Do you agree that the final salary section of the pension scheme should be amended to extend the same survivors' pensions to unmarried partners of all members, regardless of when they ceased to be active members of the scheme?

Responses received

119. The written responses from the PCPF Trustees and House of Commons Members' Fund (HCMF) Trustees answered 'yes' to this question.
120. The response from the 1922 Committee was also supportive of the change.
121. In the online survey, 55.2% of respondents said 'yes'; 20.7% said 'no'; and 24.1% said 'not sure'. There were a small number of free-text comments. Two respondents argued that there should be no 'backdating' so that the pension benefits only apply to current members of the scheme.

Our position

122. We have amended the final salary section of the pension scheme to extend the same survivors' pension benefits to unmarried partners of all members, regardless of when they ceased to be active members of the scheme. We believe this will create a more equitable situation for a relatively small number of deferred and pensioner members.

Ability for fully protected members to opt for the CARE section

123. At the time the CARE section commenced in May 2015, some MPs benefited from full transitional protection⁶ in the final salary section. They were not given the option to join the CARE section when it was introduced, and according to the rules will not be able to join the CARE section so long as they continue to meet the eligibility criteria for full transitional protection in the final salary section.
124. This issue was considered previously when the CARE section was developed, and IPSA chose not to incorporate a provision to allow fully protected members the option of choosing to be in the CARE section. This was partially on cost grounds; and because such provisions are not available in the other reformed public service pension schemes.

⁶ 'Fully protected members' are individuals who were MPs both on 1 April 2013 and immediately before 1 April 2015; who were at least 55 years of age on 1 April 2013; and who have either not ceased active membership of the final salary scheme or who have ceased active membership and not subsequently re-joined within five years and three months afterwards.

125. However the PCPF Trustees asked IPSA to consider this question again - for instance, by allowing fully protected members to move to the CARE section during a defined window of opportunity.

QUESTION 11: Do you think that members with full transitional protection should be able to opt to move into the CARE section?

Responses received

126. In the online survey, 42.9% said 'yes' in response to this question; 10.7% said 'no'; and 46.4% said 'not sure'. One free-text comment questioned what the benefit would be of moving into another section of the scheme if someone already had full transitional protection.
127. The written response from the PCPF Trustees argued that the CARE section is generally expected to be less expensive for the taxpayer than the final salary section; and some MPs may want to switch to accrual in the CARE section because it would be more tax-efficient.

Our position

128. There are different reasons why a fully protected final salary member may want to move to the CARE section. The Trustees suggest this could be because it is more tax-efficient. The ability to move into the CARE section might also benefit members who have reached the maximum permitted number of years of accrual under the final salary section.
129. We note that a sizeable minority (around 43%) of respondents answered 'yes' to this question. However, we are not persuaded that there is a case for change. Members with full transitional protection in the final salary section already benefit from a relatively generous pension and we do not consider there is a strong case to allow them then to move into the CARE section.

Ability for partially protected members to opt for the CARE scheme

130. Some MPs benefit from partial transitional protection in the final salary section.⁷ Partially protected members were given the option to elect to join the CARE section during a three-month period from 8 May 2015. After that window, however, individuals who are classified as partially protected members are not eligible to join the CARE section while they meet the eligibility criteria for membership of the final salary section. MPs who were not re-elected in 2015, but were subsequently re-elected in 2017, were not given that opportunity either.

⁷ 'Partially protected members' are those who were MPs on 1 April 2013 and immediately before 1 April 2015; who were aged at least 51 years and 6 months, but under age 55, on 1 April 2013; and who have not ceased to meet the eligibility criteria.

131. The rules state that those who are out of Parliament for five years and three months lose their (full or partial) transitional protection. But those who regained their seats in 2017, out of Parliament for just over two years, were automatically put in the final salary section with no option to move to the CARE section.
132. The PCPF Trustees have told us that they believe that the inability of MPs returning to Parliament between 2017 and 2020 to opt for CARE section membership was not intended. The rules were drafted on the assumption of a fixed-term five-year Parliament, and refers to a number of years, rather than in terms of parliaments or elections.

QUESTION 12: Do you think that members with partial transitional protection should be able to opt to move into the CARE section?

Responses received

133. The response from the PCPF Trustees argued that the situation for MPs who lost their seats in 2015 and were re-elected in 2017 is an 'anomaly which should be corrected to ensure equality of treatment among members'. The Trustees do not believe that allowing these MPs to move into the CARE section would have material cost implications. They also noted that the transitional protection arrangements will come to an end no later than May 2022 and therefore will be relevant to a diminishing population of MPs.
134. In the online survey, 35.7% said 'yes' in response to this question; 14.3% said 'no'; and 50% said 'not sure'. There were no free text comments.

Our position

135. Although we indicated in the consultation that we did not believe there was a case for making this change, we have changed our view. It does appear that the original intention at the time the scheme was drafted was that scheme members who were out of office for a full parliament would be able to opt to move to the CARE section when re-elected. The snap election in 2017 highlighted that the way the rules are drafted, referring to a number of years rather than a full parliamentary term, does not give effect to this intention.
136. We have therefore amended the scheme rules to allow partially protected members to move from the final salary section to the CARE section within a three-month window after any forthcoming general election. A change in the rules would affect a finite and declining number of individuals, and would be relevant only until 2022 at the latest (when the last members would lose their transitional protection).

Annual cap on purchases of Added Pension and reduction in Effective Pension Age

137. Under the CARE section, members can pay additional contributions to purchase additional pension benefits and/or a reduced normal retirement date. This is subject to a maximum per year.⁸
138. We noted in the consultation document that this is inconsistent with the Civil Service pension scheme. The limits in the Civil Service scheme apply to the amount of additional pension and the value of reduced normal retirement date cumulatively; however if no additional pension is being purchased, there is no limit on the value of the reduced normal retirement date which may be purchased. Meanwhile, the CARE section of the MPs' scheme limits the reduced normal retirement date which may be purchased, even if no additional pension is being purchased.
139. The intention when setting up the CARE section of the MPs' pension scheme was that it would largely mirror the provisions of the Civil Service pension scheme, although there were some differences where it was appropriate for the membership of the scheme. Inconsistency between the two pension schemes alone is not a sufficient reason for making changes to the MPs' scheme; but we took the opportunity to seek views on this issue.

QUESTION 13: Do you think that the MPs' pension scheme (CARE section) should be aligned with the Civil Service pension scheme in respect of application of the annual cap on the amount of Added Pension and reduction in Effective Pension Age?

Responses received

140. The response from the PCPF Trustees acknowledges that the MPs' scheme was not intended to be a mirror image of the Principal Civil Service Pension Scheme (PCSPS), but states that they believe that the provisions capping the amount of Added Pension and Effective Pension Age were among those intended to be the same as for the Civil Service. In the Trustees' view, the proposed change would remove a 'perverse consequence', contrary to the intention behind the rules. They also note that the changes would be effectively cost neutral for the pension fund, as members are required to pay additional contributions.
141. In the online survey, 48.2% of respondents answered 'yes' to this question; 11.1% said 'no' and 40.7% said 'not sure'. There were no free-text comments.

⁸ The total of a CARE section member's additional pension and the value of the increase to his pension due to his reduced normal retirement date may not exceed: £6,500 for the year ending on 31 March 2016; or in respect of any subsequent year, the maximum amount for the previous year, increased by the percentage increase in CPI during a 12-month reference period chosen by the Trustees.

Our position

142. We have decided to amend the CARE section rules so that the application of the annual cap on Added Pension and reduction in Effective Pension Age mirrors that in the PCSPS. Having considered this further, we are of the view that the intention was for this part of the MPs' pension scheme to align with the PCSPS.

Ability to purchase reduction in Effective Pension Age in non-integer year amounts

143. In the CARE section of the MPs' pension scheme, normal retirement date is linked to state pension age. The state pension age can vary and, in some cases, not by a round number of years (for example, 66 years and six months). Members can make additional payments to have an earlier normal retirement date, but this can only be done in integer (full) year amounts. At the same time, they cannot reduce their normal retirement date below age 65 in either scheme. So an MP with a state pension age of 66 years and six months would be able to reduce their Effective Pension Age to 65 years and six months, but not to 65 years.
144. This issue was raised with us as another inconsistency with the PCSPS. Those members of the PCSPS whose state pension age includes a part year are allowed to purchase part-year reductions in normal retirement date.

QUESTION 14: Do you agree that CARE section members should be able to purchase a reduction in Effective Pension Age in non-integer amounts?

Responses received

145. In the online survey, 25% said 'yes'; 17.9% said 'no' and 57.1% said 'not sure'. There was one free-text comment, which asserted that this option was not available to other public sector workers (this is not actually the case; as stated above, the PCSPS allows for part-year reductions).
146. The PCPF Trustees' response also supported the change.

Our position

147. We believe it is reasonable to allow CARE section members to purchase a reduction in Effective Pension Age in non-integer amounts, so that in future individuals with a state pension age which includes part years will be able to reduce this to age 65 (or another integer number). We have amended the CARE section rules to allow for this.

Purchase of Added Pension by protected members

148. Pension scheme members with transitional protection in the final salary section cannot purchase Added Pension. However, a final salary section member who elected to do so before April 2015 may purchase 'added years' of pensionable service to increase the amount of pension benefits payable upon retirement.

149. This is another issue which was raised with us as being inconsistent with the Civil Service pension scheme. Any active member of the Civil Service pension scheme can pay additional member contributions to buy a separate additional pension that can be paid in full at the same time as their main pension.
150. Our initial view was again that the fact there is a difference between the MPs' pension scheme and the Civil Service pension scheme was not on its own a compelling reason for change. However, we took the opportunity to seek view in the consultation.

QUESTION 15: Do you think the final salary section of the pension scheme should allow members to purchase Added Pension?

Responses received

151. In the online survey, 39.3% said 'yes'; 21.4% said 'no'; and 39.3% said 'not sure'. There were two free-text comments. One was supportive of the change so long as there was no further public money invested as a result. Another was not supportive, saying that purchasing added pension was 'just greedy'.
152. The PCPF Trustees supported the change, citing the same reasons as for Question 13 – i.e. that they believed the intention was for the MPs' pension scheme to mirror the Civil Service scheme on this issue.

Our position

153. We do not think there is a strong argument for amending the final salary section rules to allow MPs to purchase Added Pension. The final salary section is a historic scheme and will be relevant to a decreasing number of members as time goes on. We held a limited review of the MPs' pension scheme primarily on those issues which may be affected by a lack of clarity or unintended consequences. We do not think this issue falls into that category.

Clarifications

154. The points below relate to parts of the final salary and/or CARE sections of the pension scheme where there is uncertainty about how the rules should be implemented because of the way they are drafted. The consultation suggested clarifications to the wording of the scheme to enable its effective administration, and to ensure the existing intention of the pension scheme is easier to understand.

Application of pension limits to members with multiple period of service

155. The final salary section rules apply a limit on the initial annual amount of pension payable of two-thirds of the 'Permitted Maximum'. A problem arises because the rules are largely silent on how the limits should be applied to members with more than one period of service. For members who leave service, do not receive any pension and then return to

service, the default position is that the periods of service are amalgamated and treated as one. There is an option for them to have their separate periods of service treated as providing separate benefits. What is not clear from the final salary section rules is whether the limits on the amounts of pensions and lump sums should apply separately to each period of service, or to the totality of an individual's service.

156. Where final salary section limits are applied separately to each period of service, a situation could arise where the limits actually do not stop a member from aggregating benefits that are well in excess of the stated limit. In practice, the House of Commons pensions unit administers the benefits on the basis that the limits are applied to the total service, with a deduction for pensions in payment. But this is not set out explicitly in the rules.
157. Further complications arise where a member has a second period of final salary service and is in receipt of final salary benefits which are already restricted by the limits. Individuals in these circumstances do not continue to accrue benefits through further years of service, but do still benefit from increased pensions because of the link to final salary. However, the rules are silent on how the limits should apply to benefits accrued in this way.

QUESTION 16: Do you have a view on how the limits should apply to MPs with multiple periods of service within the final salary section?

Responses received

158. The PCPF Trustees' response agreed that the scheme limits should most logically be applied to the total of a member's final salary section benefits across multiple periods of service, as this is consistent with the likely original intention. The Trustees suggested that any amendment should also clarify the exact basis on which the limits should be applied, preferably in line with the current administrative practice.
159. Most respondents to the online survey did not answer this question. Three respondents said they did not have a view on this question. Two stated that the rules should be kept in line with the PCSPS.

Our position

160. Our view is that the scheme limits should apply to the total of a member's accrual across multiple periods of service. Where final salary section limits are applied separately to each period of service, there is a risk a situation could arise where the limits do not stop a member from aggregating benefits in excess of the stated limit. This is clearly not the intention of the limit set out in the rules.
161. We have worked with the PCPF Trustees, the House of Commons pension team and legal advisors to clarify this part of the pension scheme.

Calculation of revaluation and increases to pensions in payment

162. Statutory provisions which apply to the CARE section allow for increases and decreases (as appropriate) to be used in calculations, such as for the revaluation of deferred CARE benefits and increases to pensions currently in payment. For example, these can make reference to inflation or other indices.
163. However, there are inconsistencies in the CARE section rules; in some places the wording is clear that negative inflation would result in a decrease, whereas in other places the suggestion is that that negative inflation would not apply. A specific example is the rule which relates to revaluation of CARE benefits for active CARE members. It states that benefits are to be 'credited' each year with an amount equal to the 'revaluation percentage', defined as the 'increase or decrease in CPI published in the previous September'. Although this would appear to allow for decreases due to negative inflation, the word 'credited' implies that only increases in CPI should be applied, not decreases.

QUESTION 17: Do you agree that the CARE section rules about revaluation and increases to pensions in payment should be clarified in respect of how negative inflation should be applied?

Responses received

164. In the online survey, 40.7% of respondents answered 'yes'; 7.4% answered 'no'; and a majority, 51.9% said 'not sure'. There was one free-text comment which said that the changes should only apply provisions that ordinary Civil Servants are entitled to.
165. The PCPF Trustees' response gave a simple 'yes' in response to this question.

Our position

166. We have worked with the PCPF Trustees, the House of Commons pension fund and legal advisors to clarify the rules in the CARE section relating to revaluation and increases to pensions in payment. We believe that the starting point should be the equivalent rules in the Civil Service and Ministers' schemes.

Various provisions of final salary section rules which are extremely complex could be simplified

167. The final salary section rules contain provisions which provide a guarantee (the 'guarantee shortfall') in relation to benefits payable upon the death of certain members. The purpose of the guarantee shortfall is broadly that the total benefits payable upon the death of a member who has opted out of service in the final salary section, but remains an MP, are not to be less than the benefits which would have been payable had the member died the day before his or her 75th birthday.

168. The mechanisms for calculating this are extremely complex. This means that in some individual cases it may not be clear what benefits are payable.

QUESTION 18: Do you agree that the calculation mechanisms in this part of the final salary section rules should be amended so that they are clearer and easier to implement?

Responses received

169. In the online survey, 59.3% said 'yes' and 40.7% said 'not sure'. One free-text comment said that the rules should be based on the Civil Service pension scheme.

170. The PCPF Trustees welcomed changes that would make aspects of the final salary rules clearer and easier to implement. The Trustees also encouraged IPSA to be mindful of the principle that accrued rights should be protected and to ensure that any amendments do not prejudice members' benefit entitlements.

Our position

171. We believe it is sensible to simplify the relevant rules as much as possible. We have worked with the PCPF Trustees, the House of Commons pension fund and legal advisors to amend this part of the final salary section rules.

Definition of 'FS Deferred Pensioner' in the CARE section

172. Final salary section members are split into three groups:

- Final Salary (FS) Participants (active members);
- FS Deferred Pensioners (deferred members); and
- FS Pensioners (those in receipt of a pension).

173. As currently drafted, these definitions do not work for various provisions in the CARE section rules and would benefit from being tightened. For example, FS Deferred Pensioners may, or may not, also be CARE active members.

174. We proposed that it would be beneficial to amend the definition of 'FS Deferred Pensioner', in order that a distinction can be drawn between these two categories and the different benefits which are payable in some circumstances.

QUESTION 19: Do you agree that the definition of 'FS Deferred Pensioners' should be amended to make clear that this category includes two types of individuals, those who are also active members under the CARE section and those who are not?

Responses received

175. The PCPF Trustees' response was supportive of the proposal. In the online survey, 55.6% of respondents said 'yes' and 44.4% said 'not sure'.

Our position

176. We have amended the definition of 'FS Deferred Pensioners' to make clear that this group includes those who are also active members under the CARE section and those who are not. We will work with legal advisers to make this clarification.

Calculating final salary benefits where retiring from CARE active membership on ill health grounds

177. A CARE active member who is either partially or totally incapacitated and who satisfies the conditions to retire on ill-health grounds may apply for payment of an immediate unreduced early retirement pension.

178. The rules on qualifying for ill-health pension are the same in the CARE section and the final salary section. However, the final salary section rules have no specific provisions detailing how final salary section benefits should be calculated and paid for a CARE active member who is retiring on ill-health grounds and who has previously accrued benefits under the final salary section.

179. The intention of the pension scheme rules was for active CARE section members who retire on ill-health grounds to be entitled to take any final salary section ill-health retirement benefits on ill-health grounds (but with no uplift to reflect the period between ill-health retirement and age 65).

QUESTION 20: Do you agree that the CARE section rules should be amended to make clear that members who retire on ill-health grounds, should also be entitled to take ill-health retirement benefits that they have previously accrued under the final salary section?

Responses received

180. The response from the PCPF Trustees was supportive of such an amendment.

181. In the online survey, 74.1% of respondents said 'yes'; 22.2% said 'not sure'; and just 3.7% said 'no'. There was one free-text comment stating that the change would provide a 'double benefit'. However, this appears to be an opinion based on a misunderstanding of the issue, as members would simply be entitled to the benefits they had accrued through final salary and CARE section membership.

Our position

182. We believe that this part of the CARE section rules should be clarified, and have worked with the PCPF Trustees, the House of Commons pension fund and legal advisors to do so.

Corrections

183. There are a number of other technical issues which have been raised with us, primarily where the scheme rules could benefit from correction or updating because the pension scheme rules do not reflect original intentions or where they are based on or refer to other defunct provisions. These corrections would not impact upon the benefits which MPs would accrue or receive.

184. We did not consult on these issues individually, but asked whether respondents agreed that corrections should be made.

QUESTION 21: Do you agree that we should seek to make corrections where the pension scheme rules do not reflect the intention, or where they are based on or refer to other defunct provisions?

Responses received

185. The PCPF Trustees were supportive of such corrections. In the online survey, 70.4% of respondents said 'yes'; 7.4% said 'no'; and 22.2% said 'not sure'. There were no free-text comments.

Our position

186. We have worked with legal advisers in making these corrections.

Other comments

187. The consultation offered respondents the opportunity to make any other comments about the MPs' pension scheme.

QUESTION 22: Do you have any other comments about the MPs' pension scheme?

Responses received

188. Most respondents to the online survey did not answer this question. One free-text comment stated that the MPs' pension scheme should match the scheme available to MPs' staff members.

189. In their response, the PCPF Trustees noted that some of the possible amendments to the MPs' pension scheme in the consultation are also relevant to the Ministers' pension

scheme (the PCPF encompasses both schemes). The Trustees would favour any changes to the MPs' scheme being replicated in the Ministers' scheme and argued that any divergence between the two would give risk to greater administrative complexity and confusion for individuals who are members of both schemes.

190. An anonymous respondent asserted that MPs should be able to choose their accrual rate by making higher contributions; and that an increasing pensionable age, may incentivise people to remain in Parliament for longer.
191. One MP, in a written response, raised the issue of the ability to opt out and back in to active membership of the pension scheme. Currently both the CARE section and final salary section rules allow MPs to opt out within a three-month period after they are first elected; but those who opt out cannot opt back in until the next election, up to five years in the future. The MP argued that the rules are too restrictive in this regard and that some MPs, particularly those who are newly elected, would benefit from the option of temporarily opting out of paying contributions, in order to have a bit more in their take-home salary for a period when they might be facing some financial strain.

Our position

192. Although the issue was not considered prior to the consultation, we were persuaded by the case made by one MP, as summarised above, that MPs should have the ability to opt out of active membership for periods shorter than a parliamentary term. We have therefore made a change to the CARE section rules to allow this. To limit the administrative burden on the scheme administrators and the House of Commons pensions unit, we intend to impose a waiting period between opting out and opting back in.
193. This change brings the CARE section of the MPs' pension scheme closer in line with the Alpha scheme of the PCS, which allows members to opt out of active membership and back in at a future date with few restrictions. If a member opts out for a second (or subsequent) time, there is a waiting period of one year before they are allowed to opt back in. The Premium scheme of the PCS (restricted to individuals classified as protected members) also allows individuals to opt out at any time, but the ability to opt back in can only be exercised once during the employment to which the membership relates.
194. We agree with the PCPF Trustees that the MPs' pension scheme and the Ministers' pension scheme should be aligned where possible and appropriate. We have liaised with the Cabinet Office to keep them informed of any changes so that they are able to consider whether to make corresponding changes to the Ministers' scheme.
195. Regarding the other issues raised, we do not think there is currently a case to change the contribution and accrual structure in the CARE section from a flat rate to a variable rate, or to amend the pensionable age. The CARE section was designed to align for the most part with other public service schemes, following Government-led reforms. Those MPs with transitional protection in the final salary section do still have the option of three contribution rates, with corresponding accrual rates.

7 Equality and diversity

196. We have carried out an Equality Impact Assessment (EIA) to consider any likely or actual impacts of the changes that emerge from this consultation on the 'protected characteristics' set out in the Equality Act 2010: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, and sexual orientation. In addition, we considered the extent, if any, to which the changes may affect the wider diversity of the House of Commons.
197. To feed into this assessment, we invited responses on how the current arrangements for MPs' salary, additional salary for Committee Chairs, Loss of Office Payments and the MPs' pension scheme are operating with regard to equality and diversity; and/or whether any proposed changes in the consultation document would impact on this.

QUESTION 23: What likely or actual impact do you believe the current arrangements and/or the changes proposed in this consultation may have on equality and diversity in relation to MPs?

Responses received

198. There were 12 responses to this question in the online survey. Seven of these stated that there would be no impact of the proposed changes on equality and diversity.
199. One member of the public believed that the proposed changes to the pension scheme would benefit those who are not married (presumably referring to the change to provide the same survivors' pension to both unmarried and married partners, regardless of when the member left active service).
200. One member of the public stated that many people would be deterred from becoming MPs because they will be abused and be subject to media scrutiny, and that this needs to be acknowledged in the support they are given.
201. In a written response, one MP argued that the move from the system of resettlement payments to LOOP, which was implemented at the 2017 General Election, was a 'profound mistake' as it will deter people (other than those with private means or secondary employment) from seeking to enter Parliament. This MP's view was that having to give up a well-remunerated career in return for 'electoral uncertainty' would be less attractive following the reduction in payments made upon losing office, particularly to women.
202. The MP who proposed a change to allow MPs to opt out of active membership in the CARE section for short periods of time argued that this would support diversity in Parliament. They said it was particularly important with people from a wider variety of backgrounds standing for election.

203. One MP who responded to the survey questioned why IPSA was concerned about diversity.

The Equality Impact Assessment

204. The EIA is attached to this report and can be found at Annex C.

205. As most of the changes made as a result of the consultation are technical in nature, we do not believe there will be a significant impact on equality and diversity. That said, there are a small number of changes which we believe will have a modest positive impact.

- The introduction of a winding-up payment to provide additional financial support to former MPs who have lost their seats will reduce any perceived barriers for those without independent means from standing for election.
- The changes to the survivor's pension in the event an MP dies in the line of duty will have a positive impact in relation to age. As the survivor's pension will be calculated as a percentage of the salary, rather than of accrued benefits, survivors of MPs with short lengths of service, who are more likely to be younger, will no longer be disadvantaged.
- Extending survivors' pensions to unmarried partners of all members in the final salary section will have a positive impact on the equality of treatment between those who are married and unmarried.
- Increasing the flexibility in opting in and out of the pension scheme will benefit MPs from less advantaged backgrounds. Enabling MPs to opt of out the pension scheme for a shorter amount of time would allow them to have more take-home pay during that period.

Annex A: Determination on the MP Salary

1. This determination was made by IPSA under Section 4 of the Parliamentary Standards Act 2009 on 16 July 2015 and comes into effect immediately. It supersedes the determination on the MP Salary which was made on 5 December 2013.
2. With effect from 8 May 2015, the salary for service as a member of the House of Commons will be £74,000 per annum (referred to as the "MP Salary").
3. With effect from 1 April each year, starting with 1 April 2016, the MP Salary will be adjusted by the rate of annual change in public sector average earnings.
4. For the purposes of this determination 'annual change in public sector average earnings' means the seasonally adjusted three month average change in public sector average weekly earnings ending in the previous October, compared with the same period a year earlier. These data are published by the Office for National Statistics monthly as the AWE-KAC9 series.
5. This determination will be reviewed in the first year of each Parliament, as required by Section 4 of the Parliamentary Standards Act 2009.

Annex B: Determination on the Additional Salary for Specified Committee Chairs

1. This determination was made by IPSA under Section 4 of the Parliamentary Standards Act 2009 on 25 May 2016 and comes into effect on that date. It supersedes the determination on the Additional Salary for Specified Committee Chairs which was made by IPSA on 5 December 2013.
2. The holder of an office or position specified by the House of Commons in a resolution under Section 4A(2) of the Parliamentary Standards Act 2009 (collectively called “specified Committee Chairs”) shall be paid a salary per annum (referred to as an "Additional Salary") by IPSA in accordance with this determination in addition to the MP Salary he or she shall be entitled to receive as a Member of Parliament.
3. For the avoidance of doubt, the term “specified Committee Chairs” covers Chairs of Select Committees and Members of the Panel of Chairs.
4. With effect from 1 June 2016, the Additional Salary per annum for specified Committee Chairs will be £15,025.
5. With effect from 1 April each year, starting with 1 April 2017, the Additional Salary per annum for specified Committee Chairs will be adjusted by the rate of annual change in public sector average earnings.
6. For the purposes of this determination ‘annual change in public sector average earnings’ means the seasonally-adjusted, three-month average change in public sector average weekly earnings ending in the previous October, compared with the same period a year earlier. These data are published by the Office for National Statistics monthly as the AWE-KAC9 series.
7. This determination will be reviewed in the first year of each Parliament, as required by Section 4 of the Parliamentary Standards Act 2009.
8. No specified Committee Chair shall:
 - a. receive more than one Additional Salary under this determination, or
 - b. receive an Additional Salary for any period, or part thereof, if the specified Committee Chair is also entitled to a further salary by virtue of any provision of the Ministerial and other Salaries Act 1975.

Select Committee Chairs

9. The Chair of a Select Committee specified by the House of Commons in a resolution under Section 4A(2) of the Parliamentary Standards Act 2009 shall be paid the Additional Salary in respect of a period that:

- a. begins with the day on which the Member becomes Chair of such a Committee (or the day on which the Committee is constituted, if later); and
 - b. ends on the day on which the Member ceases to be Chair (or, if he or she is Chair of more than one such committee, he or she ceases to be Chair of the last of those committees).
10. If the name of a specified Select Committee is changed, this will be taken to be a reference to the Committee by its new name.
 11. If the functions of a specified Select Committee become functions of a different Committee, this will be taken to be a reference to the Committee by whom the functions are for the time being exercisable.

Members of the Panel of Chairs

12. A Member of the Panel of Chairs shall be paid an Additional Salary in respect of any period served as a Member of the Panel of Chairs. The period shall begin on the day on which the Member is appointed to the Panel and end on the day on which the Member ceases to be a member of the Panel.

Annex C: Equality impact assessment

Background

1. The Independent Parliamentary Standards Authority (IPSA) are responsible for setting MPs' pay and pensions. We are required by statute to review MPs' pay in the first year of each parliament, and in doing so by June 2018 we fulfilled that commitment. We also took the opportunity to consult on changes to MPs' pensions, to propose changes to the benefits paid when MPs are killed in the line of duty and to the payments made to MPs when they leave office. We consulted on these changes between May and June 2018. In the consultation report we outline the full changes made as a result of the consultation.

Purpose of this document

2. As a public sector organisation, in the exercise of our functions we are required by the Equality Act 2010 ('the Act') to comply with the public sector equality duty. This duty requires us to have due regard to the need to eliminate discrimination as well as to advance equality of opportunity and foster good relations between persons who share a relevant 'protected characteristic' and persons who do not share it.
3. The protected characteristics outlined in the Act are: **age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.**
4. In our review of MPs' remuneration we committed to carrying out an Equality Impact Assessment (EIA) to consider any likely or actual impacts of the changes that result from the consultation, including the impact of the changes on the protected characteristics set out in the Act. We also committed to considering the extent, if any, to which the changes may affect the wider diversity of the House of Commons, which is outlined in this document.
5. As part of the consultation survey, we asked for the views of MPs, their staff, and members of the public on how both the current arrangements and proposed changes may impact equality and diversity in relation to MPs. The responses to this are outlined in the main consultation report.

Impact of changes on protected characteristics and on diversity in parliament

6. Details of the full changes made as part of this consultation are given in the consultation report. Many are minor and technical in nature. Below we have only mentioned those changes which we consider may have an impact on the protected characteristics, or on the wider diversity of the House of Commons.

Loss of Office Payment

7. MPs who lose their seats are required to wind up their financial affairs – including issuing redundancy notices, submitting remaining expense claims, and repaying outstanding debts to IPSA – before receiving their full Loss of Office payment, which can take up to

two months. Some MPs have said that, because they would be unable to begin new employment during the time they were winding up their affairs, and because they would not receive a salary during this time, this could cause significant financial difficulty for them or their colleagues.

8. On this basis, we have proposed providing financial support to MPs during this period. We will pay a 'winding up payment' equal to two months' net salary to MPs who lose their seats. This will also apply to MPs who stand down at a snap election, as they often do not have enough time to wind down their affairs.
9. It is possible that the need for MPs to wind up their affairs after they lose office, without remuneration, may have deterred some potential candidates from standing for election. Those without independent means may have thought that the need to work for up to two months after they lose their seat, while not receiving payment nor being able to begin new employment, would cause them financial difficulty. If this occurred, it may have had a negative impact on the diversity of the House of Commons. However, we have not received any evidence that potential candidates have been deterred from standing for election for this reason.
10. The new winding up payments to MPs who have lost their seat or stand down at a snap election should remove any possible deterrence to potential candidates because of the lack of financial support during the winding up period. Therefore, there may be a **small positive** impact on diversity in Parliament as a result of the change.

Death in the line of duty

11. We consulted on the lump sum and adult survivors' pension payable to beneficiaries of MPs' who die 'in the line of duty'. Currently the arrangements are that the adult survivor will get 37.5% of the MP's accrued pension. However, the survivor's pension of an MP with very short service will be smaller than that of an MP with a long period of service. Older MPs are more likely to have more service and therefore to have accrued more pension.
12. We are changing these arrangements for survivors' pensions. Instead of the amount being based on accrued pension, it will now be 45% of the MP's salary. This is in line with death in the line of duty benefits payable under the Civil Service pension scheme. It will equalise the adult survivors' pension for beneficiaries of MPs regardless of their length of service. This will therefore have a **positive impact in relation to age**.

Survivors' pensions for unmarried members

13. In the final salary pension scheme, survivors' pensions are only payable to unmarried partners of members who were active members in the scheme from November 2004. This meant survivors' salaries were not payable to unmarried partners of members who left service before 2004. We have amended this so that survivors' pensions are payable to both married and unmarried members, regardless of when they cease to be active members of the scheme. This issue only affects a small number of MPs but the change will

create a **positive impact on the equality of treatment between those who are married and unmarried**. The rules on survivors' pensions in the CARE section already give equal status to spouses and same sex spouses or civil partners.

Flexibility in opting in and out of the pension scheme

14. We are amending the CARE section rules so that MPs can opt out and back in to active membership of the pension scheme with more flexibility. Previously MPs could opt out within a three-month period after they were first elected, but could not opt back in until the next general election, which could be up to five years in the future. We will make changes to the CARE section rules to allow MPs to opt out of active membership for shorter periods than a parliamentary term.
15. MPs who are newly elected may benefit from the option of temporarily opting out of paying pension contributions in order to have more take-home salary, while still having the option to opt in before the end of the parliament. This flexibility is likely especially to benefit MPs who were in low-paid jobs or unemployed prior to getting elected, or who left work in order to campaign. However, it is unlikely that a potential candidate would be aware of this increased flexibility in pension contributions, so it is unlikely to have an effect on the diversity of parliament. Nevertheless, it is likely marginally to **benefit MPs from less advantaged backgrounds**.

Conclusion

16. Most of the changes made following this consultation are minor and technical in nature. However, a small number of the changes will have a positive impact on equality and diversity, recognising the need for financial support to MPs from less advantaged backgrounds.

Annex D: Additional consultation on a further technical change to the MPs' pension scheme (updated June 2019)

Background

1. In 2018, an administrative error meant that pension contributions were not deducted from the additional salaries of received by a few of the MPs who chair committees. We apologised to those concerned and have put in place measures, with the Trustees and administrators of the pension fund, to prevent such errors in future.
2. The affected members were asked to pay backdated contributions. Some said that they would have opted out of the supplementary pension scheme, if they had known about it. They were unable to, however, as they had already passed the 12-month deadline set by the pension scheme for members to opt out.
3. The PCPF Trustees suggested to us that a solution to ensure fairness to the affected members would be to extend or waive the opt-out deadline. This would require an amendment to the pension scheme. Those affected members would then be able to opt out of backdated contributions into the supplementary scheme. The Trustees noted that there may be other exceptional circumstances where it would be useful to have discretion over time limits.
4. We agreed with the Trustees' proposal, and judged that such a power should be a joint one for IPSA and the Trustees. This would ensure that that such decisions were taken only with strong justification and in exceptional circumstances.
5. Because this had not been included in the main consultation held in May-June 2018, we held a further, limited consultation on this one technical change to the MPs' pension scheme. The consultation ran from 28 January to 18 February 2019.

Do you agree that the MPs' pension scheme should be amended to provide a discretionary power, exercised jointly by IPSA and the PCPF Trustees, to waive or extend time limits set out in the scheme in exceptional circumstances?

Response received

6. We received one response to the consultation, from the PCPF Trustees, who reiterated their support for this change. The Trustees suggested that the new power would most appropriately sit in Part A of the MPs' pension scheme, the 'Administration Scheme'. The Administration Scheme covers the whole PCPF, which includes the Ministers' pension scheme, and therefore the Trustees suggested that the discretionary power should also apply to the Ministers' scheme, subject to agreement between themselves and the Minister for the Civil Service (MCS).

Our position

7. We have implemented this change. The addition of a discretionary power to extend time limits provides a degree of pragmatic flexibility which can be used in exceptional circumstances, such as to correct errors.
8. Although we did not originally envisage this, we agreed with the Trustees that the new discretionary power should sit in the Administration Scheme, covering the whole PCPF, including both the MPs' and Ministers' pension schemes. To limit the discretionary power to the MPs' scheme only would be out of step with the current structure.
9. Therefore, in April 2019 we consulted formally again with the Minister for the Civil Service on the proposal to add this discretionary power, to be operated by the Minister for the Civil Service and the PCPF Trustees jointly. We did not receive any objections to the change. In respect of the Ministers' scheme, it will be at the discretion of the Trustees and the Minister for the Civil Service whether and how this discretionary power is used.