

# MPs' Pay and Pensions Final Report

December 2013

The lower half of the cover features a large, abstract geometric design. It consists of a dark blue, irregular shape that occupies most of the bottom half, with a lighter blue, curved shape above it, creating a layered effect. The shapes are solid and have sharp, angular edges.

# **MPs' PAY AND PENSIONS**

## **FINAL REPORT**

**DECEMBER 2013**

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## Foreword

Earlier this year we set out our recommendations to reform MPs' remuneration across five key areas: a one-off pay rise, thereafter linking MPs' pay to what everyone else is paid; overhauling MPs' generous pensions; scrapping resettlement payments worth tens of thousands of pounds; further tightening expenses; and calling on MPs to produce an annual report to help constituents understand their work.

The response to our recommendations was encouraging. There was debate, some thoughtful reaction and, for four of the five elements, strong support. The idea of a one-off pay rise got a more mixed reaction and, from many, a hostile one.

The strength of some of the responses was a reminder, not that we needed it, that MPs' pay, pensions and benefits are thorny and controversial issues. What marks out IPSA's approach is that, whereas the political calculations of the day have always trumped principle in the past, we can act independently and do what we think is right and fair, rather than what is easiest.

Starting at the beginning, we remain of the view that there is a problem to fix. Review after review has found that MPs' pay has been kept artificially low for decades and that it should be raised. But, in the past, instead of addressing the core issue, creative solutions were designed and developed to top up MPs' income. It is this approach which ultimately led to the expenses scandal.

In response, we reformed MPs' business costs and expenses and, in doing so, have already saved the taxpayer tens of millions of pounds.

Addressing the expenses scandal was important but it only dealt with part of the problem. The other part is the central question of how the taxpayer should remunerate those 650 people who sit at the heart of our parliamentary democracy.

The easy bit is agreeing that the current package is flawed: while the salary has been restrained, MPs continue to enjoy a range of benefits that nobody else gets. Reform is long overdue. The hard part is deciding what the reformed package should look like.

We have put together a package which modernises MPs' remuneration, recognising the importance of the role of the MP and protecting the taxpayer. This reform gets rid of out-of-date benefits, delivers a one-off increase in pay but, thereafter, links their pay to the pay of everyone else and, crucially, will not cost the taxpayer more.

One final point to address is the timing for introducing the reform. For decades there has never been a right time to look at the issue of MPs' remuneration. But even accepting that, some have said this is one of the worst times.

We have a choice to make: either we say it is too difficult and ignore the issue for another number of years, or we address it with those sensitivities in mind. We choose the second option. We feel any other choice would be to abandon our responsibility, which Parliament gave us, to fix this problem once and for all.

But we do understand the sensitivities. As we note above, we have committed that the reforms will not cost the taxpayer more. And, while we have concluded our review of the arguments and have resolved in favour of this package, we will conduct a review – as we are obliged by law to do – taking account of all the circumstances as they are in the summer of 2015.

What we present to you in this report is a package of reform, long overdue, which represents a fair deal for MPs and good deal for the taxpayer.



**Sir Neil  
Butterfield**

**Sir Ian  
Kennedy**

**Elizabeth  
Padmore**

**Anne  
Whitaker**

**Professor  
Tony Wright**

## One: Our consultation

1. In our consultation document *MPs' Pay and Pensions: A New Package*, published in July 2013, we set out our recommendations for the remuneration arrangements for MPs in the next parliament. These were:
  - scaling down the existing generous resettlement payments;
  - a pension on a par with those which will be payable in other parts of the public service;
  - reinforcing the boundary between business costs and expenses on the one hand and pay on the other;
  - annual reporting by MPs on their activities to accompany the reports on their spending; and, finally,
  - a salary of £74,000 in 2015, indexed to annual growth in average earnings in the whole economy thereafter.
2. We also asked for views on two other issues: the rules for the additional payments for specified Committee Chairs and the participation of the Great Officers of State in the MPs' Pension Scheme.
3. We consulted on our recommendations from 11 July to 20 October 2013. We received over 550 written replies, another 530 posts on our website and 3,450 responses to our online survey. We also conducted two public opinion polls, with YouGov and ComRes.
4. In addition to responses from the public, we received written responses from, amongst others:
  - the Speaker of the House of Commons;
  - HM Government;
  - the Senior Salaries Review Body (SSRB);
  - the House of Commons Committee on Standards;
  - the Parliamentary Labour Party (PLP);
  - the 1922 Committee (the Conservative Party's parliamentary grouping); and
  - the Hansard Society.

5. A summary of the responses to the YouGov and ComRes surveys is available at Annex D and responses from the statutory consultees are available on our website [www.parliamentarystandards.org.uk](http://www.parliamentarystandards.org.uk). The full responses will be published on our website in due course.
6. Over the past few weeks, we have read, analysed and considered each response to the consultation. The responses have shown there is wide public support for four out of the five elements of the package: pay is the exception. Every response, whether online, written, or as part of a survey has played a part in our discussions, and all respondents may be confident that their views have been considered. In coming to our conclusions we have carefully weighed the arguments put forward, and not simply listened to those who shout loudest or those who have a particular interest to promote.

## **Changes to the package**

7. Having concluded the consultation, we set out in this document our final decisions on pay and pensions for MPs. The package follows the broad shape of that recommended in our consultation document, with one important change: an adjustment to ensure that the package will not impose any additional burden on the taxpayer. The package we recommended in July slightly increased the cost to the taxpayer in 2015 (by approximately £0.5m). We have now removed this by increasing MPs' pension contributions. Our final package will not therefore cost the taxpayer any more money when implemented in 2015/16.
8. We have also amended slightly the list of expenses for which MPs will not be entitled to claim from 2015. We now plan to consider further whether MPs should be allowed to continue to claim for home contents insurance and television licences in the new parliament as part of our comprehensive review of MPs' accommodation in 2014/15. More detail on this change can be found at paragraphs 92-94.

## Implementation

9. This report includes the formal determination of pay for MPs and for Committee Chairs at Annexes A and B. These determinations have effect without further legal measures or actions by Parliament. However, the implementation of the increase in basic pay will not take place until the completion of the statutory review (required by the Parliamentary Standards Act 2009) which we will undertake in the months after the next general election in 2015. As part of that review, we will examine all the circumstances in the summer of 2015 and we will decide whether or not to proceed with the pay increase we set out in this document. Further details of this Review can be found at paragraphs 43-47.
10. The changes to resettlement payments and expenses after the next election will be made in the Seventh Edition of *The MPs' Scheme of Business Costs and Expenses*, to be published in the early part of 2015. The new MPs' Pension Scheme, incorporating the changes to the accrual basis and the transitional protection arrangements, will be laid before the House of Commons during 2014.
11. As required by the Parliamentary Standards Act 2009 and the Constitutional Reform and Governance Act 2010, the new *MPs' Scheme of Business Costs and Expenses* will be published and laid before the House of Commons. It will come into effect on the day after the next General Election, expected in May 2015.



## Two: Responses to the New Package

### MPs' Pay

#### *Our recommendation*

13. In July we set out our recommendation for MPs' pay, increasing it to £74,000 a year from 2015, after the general election expected in May that year. This would be an increase of 9.3% compared with the level it would otherwise be at that time (£67,731).

14. As we noted then:

*Past increases in MPs' pay, judged to be justified and appropriate by review bodies, have been set aside or diluted because of concerns about the political consequences of their implementation. Quite simply, there is never a good time to determine MPs' pay. There will always be a reason to put off a decision. (MPs' Pay and Pensions: A New Package, para 68)*

15. We are determined not to allow this state of affairs to continue. A decision must be taken and taken in spite of the difficulties in facing the issue.

16. In the consultation paper we demonstrated how MPs' pay had declined over time as a multiple of national average earnings. For the period 1911-80 (after which MPs' pay and expenses started to blur into one) that multiple was, on average, 3.16. It has fallen since, and is currently 2.70.

17. We also looked at the value of comparators – professional and international – having studied them in some detail in our first consultation on MPs' pay and pensions in October 2012. We confirmed our view that while they are helpful in setting a context to which many members of the public can relate, they should not be used mechanistically to set the level of pay. Nonetheless, it is worth reminding ourselves that in comparison with the types of profession that most studies use – notably those undertaken by the Senior Salaries Review Body (SSRB) – MPs' salaries have fallen behind in recent years. Likewise, British MPs are paid considerably less than many of their foreign counterparts.

18. We used four measures to illustrate how MPs' pay has fallen behind.

- In 2007, MPs' pay was worth 85% of the cash element of remuneration for other public sector professions identified by the SSRB in 2007. By 2013 it had slipped to 80%.
- The SSRB recommended that MPs should be paid £61,820 from 1 April 2007. That figure, uprated by national average earnings growth, would be £73,365 in 2015.
- As noted above, the multiple of MPs' salary to national average earnings has fallen from a long term average of 3.16 to 2.70. If it were restored to 3.16, MPs' salary would be £83,430 in 2015.
- MPs' pay has not kept pace with the recommendations of Sir John Baker, former chair of the SSRB, in his 2008 report. He recommended that pay should be linked to increases in wages in the public sector. If his recommendations had been followed, MPs' pay would be £79,122 in 2015.

19. We also noted in the consultation paper that:

*While we reject the principle of determining MPs' pay by reference to "comparator" professions directly, it is a matter for concern if MPs' pay seems to have fallen behind in relative terms. This pay gap is one of the factors we have taken into account in putting together a new remuneration package. (MPs' Pay and Pensions: A New Package, para 54)*

20. We were concerned to ensure that any decision we made on pay helped rather than hindered diversity amongst MPs. We found no evidence that the level of pay had a direct impact on candidates putting themselves forward for election to Parliament, or on MPs continuing to serve. Nonetheless, we must not set a level of pay that is either so high that it encourages people to stand for Parliament for the money, or so low that people from many professions are unduly deterred from standing. As we observed in the consultation paper:

*Our salary proposal is designed to enable people from the widest range of backgrounds, including those with careers and experience elsewhere, to feel that they can enter (and leave) parliamentary politics in the course of their professional life. (MPs' Pay and Pensions: A New Package, para 65)*

21. Bearing all these factors in mind, we judged a salary of £74,000 a year to be an appropriate level. It was not based on any mechanistic formula, but was a judgement made by the members of the Board after long and reasoned debate based on the available evidence. We took account of the prevailing economic conditions, which is why, in comparison with the projected salaries at paragraph 18, the proposed salary of £74,000 was at the low end of the spectrum.

### **Consultation responses**

#### ***Responses from the Public***

22. While the public, in their responses to our consultation, have been mostly positive towards four elements of the package, they have been strongly opposed to the recommendation on pay. This is perhaps unsurprising, given the economic circumstances that many people face, along with the continuing distrust that some feel towards Parliament following the expenses scandal of 2009:

*In these times of austerity it feels very wrong that they should be rewarded with a large pay rise so soon after the expenses scandal. (Gareth Humphreys)*

23. Many people also compare MPs' circumstances with their own:

*I have not had a pay rise in almost 6 years now, I work permanent nights, meaning I see my family for no more than 2 hours a day... and I'm supposed to accept that those [MPs] deserve a better life than me... (Andrew Trotter)*

24. However, a number of respondents were concerned more about the timing of the proposed pay increase rather than its amount. Some supported the increase, but suggested that it should be delayed further:

*I do think that MPs should be paid more and the package suggested is the right way to go, but with all the pay freezes and austerity measures the government are exposing I think all that should wait until the country is back on its feet and pay freezes and austerity measures have finished. (Member of the public)*

*I also accept that there is never a good time to implement this. However, you have decided to choose the WORST POSSIBLE TIME to do this! (Nigel Adams)*

25. There was also support from some members of the public for the proposed pay increase:

*I support IPSA's recommendations for MPs' pay which, in fact, seem to me to be modest rather than excessive in any way. (Robert Dee)*

26. Our on-line survey attracted 3,450 responses. 12% supported and 88% were against the pay recommendation.

### **MPs**

27. There were relatively few responses from individual MPs. The views expressed were mostly against a pay increase:

*I believe that whatever the merits of the changes to MPs' pay that your review recommends, I believe it is utterly unacceptable to suggest any upward change in MPs' pay while the public finances are in such a parlous state and while my constituents' living standards are being pressured. (Richard Fuller MP)*

28. However, it is worth recalling the anonymous survey of 100 MPs which YouGov conducted for us in October 2012. In that survey, 69% of MPs did consider themselves to be underpaid at present. They considered the right level of pay, on average, to be £86,000, although the figure varied significantly between the parties, with Labour MPs on average considering £77,000 to be appropriate, the Liberal Democrats £78,000 and the Conservatives £97,000 (all rounded to the nearest £1,000).

### **Institutions**

29. The responses from institutions, or statutory consultees, and others were mostly silent on the level of pay. Instead they stressed IPSA's independence in the matter:

*Much of the paper is inevitably concerned with the final determination of Members' future salary: this is a matter solely for IPSA to determine, and I make no comment on that proposal. (The Speaker)*

*We do not believe it is right to comment on specific proposals, IPSA must take this decision independently of both Government and MPs. (Parliamentary Labour Party)*

*Pay is now a matter for IPSA, a body whose independence needs to be respected by the Executive and Shadow Executive, as well as Members of Parliament.*

*(Conservative 1922 Committee)*

30. The Government also cited IPSA's independence, as well as noting the economic context:

*In the current economic climate and in the context of public sector pay restraint, the Government has strong reservations about the prospect of a relatively generous pay settlement for MPs. It will ultimately be for IPSA, not for Government or Parliament, to make decisions on remuneration and to explain them to the public. (HM Government)*

31. The SSRB regarded £74,000 a year as being "of the right order", although there was room for argument about the precise figure. It noted that the "catch-up" argument is one that might be deployed by other public sector groups. But:

*MPs' salaries have been held down for many years preceding the recent recession and the current period of public sector pay restraint, though that was the fault of the MPs themselves while they had the power to set their own pay and reject our recommendations and those of Sir John Baker. (SSRB)*

32. The SSRB also recommended that the increase should be:

*staged over several years, provided that the MPs' salary reaches the intended level, taking account of subsequent increases after 2015, by the end of the next parliament. (SSRB)*

33. The Hansard Society made a similar comment, noting, however:

*The percentage increases would be smaller than introducing the salary rise in one go, although it would likely remain above the average for earnings increases in the*

*economy as a whole and so attract criticism each time the increase takes effect. (The Hansard Society)*

### **Public opinion polling**

34. To give us a picture of the public as a whole, we commissioned ComRes to conduct some detailed opinion polling for us. The results of that poll can be found at Annex D. This confirmed the public's overall opposition to the pay increase if it was put to them without context, with 66% against and 24% in favour. However, when the same people were asked about their views if the overall remuneration package imposed no additional cost on the taxpayer, 43% said the package was about right or not generous enough, with 45% against. This suggests that the cost of the overall package is an important determinant of public views.

### **Our position**

#### ***The level of pay***

35. In the light of the consultation responses, our earlier analysis and the polling evidence, what should our decision be?

36. We could withdraw the proposal for an increase in MPs pay to £74,000 a year in 2015 and return to tracking public sector pay policy, as we are doing in 2013-14 and 2014-15. This would gain the support of many members of the public and some MPs (although our survey would suggest broad parliamentary support for a significant increase).

37. But where would it leave us?

38. We would not have resolved the age-old problem which we described in the consultation document of there never being a right time to address MPs' pay. The longer this issue remains unresolved the greater the risk that it will have some negative impact on potential candidates for Parliament. This risk is not quantifiable, but that does not mean that it should be ignored.

39. It would also not be fair (one of our key principles) in the light of a wide range of independent comment and evidence, and it would leave the issue which Parliament charged us with solving, unsolved. It would also suggest that IPSA's independence and

determination to act in the broader public interest were shackled by a constant need to reflect the circumstances and opinions of the moment.

40. We have concluded, therefore, that we should introduce the pay increase for MPs in 2015, to £74,000 a year, subject to the statutory review of pay, to be conducted immediately after the 2015 general election.
41. The evidence in the ComRes poll about public attitudes when the financial context is described, is important, as it demonstrates the scope for securing public support for the remuneration package. It shows that more people are amenable to the idea of a pay increase for MPs, if the cost of the overall package, including pensions and resettlement payments, is delivered at no further cost to the taxpayer.
42. We have therefore examined whether we should arrive at an overall package which did not impose any additional burden on the taxpayer (in other words, was cost-neutral). The package outlined in the July consultation had a net annual additional cost to the taxpayer of £0.5m. We have removed this additional cost. We have done so by increasing the MPs' share of the cost of pension contributions to the Parliamentary Contributory Pension Fund from 40% of the total to 46%. This is more in line with the contributions of comparable earners elsewhere in the public sector. This decision is dealt with in more detail in the pensions section of this report.

### ***Timing of the increase***

43. We have already noted the view from some respondents that 2015 would be too early for the proposed increase, even if the level of pay were otherwise supported. And the SSRB, amongst others, has argued that the increase should be staged. We have considered these arguments very seriously.
44. Staging the increase would have attractions to some observers, in that MPs would not be receiving so large an increase initially. However, it would mean that MPs would receive a series of increases above the growth of national average earnings through the next Parliament. We think that this might be more damaging to public confidence than a one-off increase in pay, which is clearly seen and understood as part of a comprehensive and cost neutral package, particularly as it is not possible to stage the other elements.

45. The one-off increase will also mean that the public can see clearly, what the implications of the package are for the taxpayer. We think this is important. While there may not be widespread public support in the short term for the package, we are keen to ensure there is full understanding of the reasons for our decision and of the components of the package. That understanding might be lost with staged increases.
46. We are therefore resolved to implement the pay increase in one go – with one proviso. That is as follows. We are committed by the legislation passed by Parliament in 2010,<sup>1</sup> just before the last general election, to carry out a review of MPs' pay in the first year of every parliament. We intend to use that review to take stock of the circumstances in the summer of 2015 and our determination on pay will not come into effect until we have completed that statutory review. At present the economic indicators suggest that the UK economy is entering a phase of recovery, although real incomes do not reflect this currently. None of us knows, however, what lies in store, although the forecasts are positive.
47. This conclusion is not, therefore, the final step in the process. Immediately after the May 2015 general election, we will carry out the statutory review of pay and take a view on whether the circumstances warrant the confirmation of the pay increase that we have decided on. We will not tie the decision to one particular indicator – we will look across the economy and make an independent judgement. Having done so, and if the decision is to continue with the pay increase, it will be backdated to the beginning of the parliament. MPs will not receive any increase in salary until the review is complete. All other elements of the package will be implemented from the day after the May 2015 General Election.

### **Indexation**

48. In our July consultation paper we outlined why we thought indexation of MPs' pay against an economic indicator, after the review of pay in the first year of each parliament, had merits. As we said at the time:

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<sup>1</sup> The Constitutional Reform and Governance Act 2010, which amended the Parliamentary Standards Act 2009.



*There would be little sense in returning to the subject each year, with the political controversy that MPs' pay inevitably engenders. Therefore we are attracted to a form of indexation of MPs pay, whereby the salary tracks an economic indicator. This would become the norm, so that pay would increase – or decrease – in line with an objective economic measure. The politics would therefore be taken out of MPs' pay. (MPs' Pay and Pensions: A New Package, para 82)*

49. We also took the view that the indicator should be of average earnings for the whole economy:

*The principal reason for this is that it ties MPs' pay to the fortune of all citizens, regardless of whether they are in the public or private sector. This seems right, given that MPs represent all their constituents, not just those from a particular sector. (MPs' Pay and Pensions: A New Package, para 83)*

50. We asked questions about the principle of indexation and the choice of indicator. There were relatively few responses on indexation – most people focused on the wider pay issue. However, there was support from some statutory consultees, including the Government, the PLP and the SSRB:

*The Government recognises the benefits of the indexation of MPs' pay, in the interests of transparency and simplicity, and of limiting the political distraction of regular debates on the subject. The Government sees merit in the proposal to link pay with that of public and private sector workers in the manner proposed. (HM Government)*

*We are broadly supportive of IPSA's aim to create a mechanism which will allow MPs' pay to be decided for the life of a parliament and be maintained without annual reviews... IPSA's chosen index of average earnings seems suitable and makes MPs' pay yet more independent from Parliament and Government. However the potential for MPs' pay to fall over the life of a parliament, though unlikely would be anomalous as there are no reasonable professional equivalents where the same could take place. (Parliamentary Labour Party)*

51. The SSRB's support came with a suggestion that:

*IPSA should operate a presumption in favour of annual indexation between the major reviews at the beginning of each parliament, but should reserve a power to reduce or suspend an increase suggested by the index in cases of 'force majeure', for example where it would otherwise result in MPs receiving a pay rise significantly above the level allowed under the Government's public sector pay policy. (SSRB)*

52. The SSRB also suggested that the appropriate indicator to use was average weekly earnings excluding bonuses, as MPs do not receive bonuses.
53. Some respondents felt that a link to public sector earnings was more appropriate as it had less potential to be controversial.
54. Respondents to our on-line survey mostly supported indexation to an economic indicator, with 72% in favour. On the choice of indicator, our ComRes public opinion survey found that a plurality of respondents<sup>2</sup> agreed with our choice. Some members of the public suggested other measures. For instance:

*Some composite indicator that covers growth in annual GDP, reduction in public deficit, quality of public services and some 'happiness' index, would be appropriate.*  
*(David J Skyrme)*

55. Our position on indexation, having considered the consultation responses, is to keep to our proposals in the consultation paper. There is broad support for indexation and for the link to average earnings in the whole economy, although there is support too for a link just to public sector pay. On the latter, we understand the concern that at some point, private sector average earnings may outstrip those in the public sector, but this is not a given, and the opposite has also been true. We think the link to the fortunes of all citizens is important. Additionally, if we were simply to follow the trend in the public sector, which, at least in principle, is subject to influence by the Government, we may be thought to be reintroducing some degree of control by Government into a system which is supposed to be independent.

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<sup>2</sup> 26% of respondents supported a link to national average earnings, 18% supporting moving in line with public sector wages, and 9% did not believe indexation was appropriate.

56. We have also considered the SSRB suggestion of linking MPs' pay to an indicator which does not include bonuses. While we accept that MPs do not receive bonuses, many ordinary citizens do as part of an overall remuneration package and we consider it right to tie MPs' pay to the fortunes of all citizens. For this reason, we propose to maintain the link to the whole economy measure.
57. We are not minded to make an explicit commitment to review the indexation if the result is an increase significantly above that of the Government's public sector pay policy. That would create uncertainty and lead to questioning about the criteria for intervening. This suggestion is the obverse of the concern expressed by the Parliamentary Labour Party about any fall in the indicator. We propose to allow MPs' pay to fall in the event that national average wages fall. Again, if we were to intervene in the event of a fall, there would be calls for intervention in the event of sizeable increases. We would be back to square one.
58. There is a further point here, which is that by indexing MPs' pay to an indicator based on average earnings indicator, MPs pay will be lagging behind developments in the economy, not driving them. So it will not be justifiable for other workers to argue that they should get a pay increase of X%, because MPs have had one. However, we accept that there is a risk that some will make this argument in the face of the facts.
59. We recommended in our consultation document that MPs' pay should keep track with the annual growth in average weekly pay across the economy. We recommended that pay should be adjusted in line with changes in the AWE-KAC3 series<sup>3</sup> which measures the annual percentage changes in total weekly pay (including bonuses) for the whole economy in Great Britain and is seasonally adjusted. We recommended the use of the three-monthly average figure for January each year, with any changes implemented from 1 April.
60. However, as with all such statistics, the January figures (which are initially published in March) are subject to review. This has occasionally meant that the January figures have been revised after 1 April. To avoid any possibility of confusion where figures are revised, we now propose to use the AWE-KAC3 for the previous October. While October

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<sup>3</sup> Published monthly by the Office for National Statistics.

figures are also often revised after publication, such revisions are usually complete by March. This amendment will ensure that it is clear in advance of each year what the annual adjustment to pay will be.

## MPs' Pensions

### *Our recommendation*

61. In our consultation document we argued that the current, expensive final salary pension scheme for MPs should be closed, but that MPs should continue to receive a defined benefit pension scheme with benefits on a par with those available to people working in the public sector.

62. As we noted then:

*The MPs' Pension Scheme has become ever more expensive to the taxpayer (and MPs themselves) as life expectancy increases, and with returns from investments not as high as in the past as a result of market conditions. As we showed in the October 2012 consultation paper, the cost of accruing benefits in the scheme has risen from 21.6% of payroll in 1999-2003 to 32.4% in 2012. (MPs' Pay and Pensions: A New Package, para 91)*

63. We recommended that from the next general election all future accrual should be on a career average re-valued earnings (CARE) basis, in a scheme based on the model used for the reform of other public service schemes. Reform of those schemes has been based on the recommendations of the Independent Commission on Public Service Pensions led by Lord Hutton.

64. As in those schemes, we recommended that MPs should have a higher normal pension age (equivalent to a member's State Pension Age) and lower ancillary benefits than currently. Accrual would be at a rate of  $1/51^{\text{st}}$  of the annual salary, which would be re-valued by changes in the Consumer Prices Index (CPI) each year.

65. The Government Actuary's Department assessed that the cost of this scheme would be approximately 22.9% of payroll in 2013.<sup>4</sup> We recommended that the taxpayer should pay 60% of the cost of this accrual, with MPs paying 40%. This reflected the average split of contributions in the other public service schemes.

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<sup>4</sup> It should be remembered that when the scheme is introduced in 2015, the cost of accrual may be higher or lower than 22.9% and as such, these costs are indicative only.

66. We also recommended that the MPs' scheme should mirror the protections available in the other public service schemes, including transitional protection for MPs close to retirement age and a "ceiling and floor" to keep MPs' contributions broadly stable and ensure that the taxpayer is protected from further increases in cost.

### ***The consultation responses***

67. Our recommendations received wide support in our consultation, with 77% of respondents to the online survey agreeing with our recommendation. Our opinion polling found that 72% of respondents supported the changes to MPs' pensions, with 9% against. Written responses from the public were also supportive:

*I agree with the proposed pension arrangements for MP's, primarily because they appear to line up with the more general level of pensions available to similar professions and would not be seen as previously, as overgenerous. (Alan Parr)*

68. However, some respondents would have preferred the introduction of a defined contribution pension, or indeed the removal of the pension altogether.

69. The Trustees of the Parliamentary Contributory Pension Fund (PCPF) also broadly welcomed the recommendation, noting that:

*In particular, we welcome the choice of CARE as the basis of future accrual.*

70. The Trustees did make some specific comments and requests about, among other things, the accrual rate, the share of the cost borne by MPs, the operation of the ceiling and floor and the ancillary benefits. In particular, the Trustees requested that:

- the accrual rate should be increased from 51<sup>sts</sup> to 50<sup>ths</sup>;
- MPs should retain the current flexibility over the contribution and accrual rate; and
- MPs should be able to purchase additional ancillary benefits on an individual basis.

71. The Trustees' response to the consultation, and a letter from Sir Ian Kennedy to the Chair of the Trustees, Brian Donohoe MP, will be laid before the House of Commons and published on our website in due course.

72. The Conservative 1922 Committee noted that it:

*broadly supports the recommendations made by IPSA which acknowledge both the changes being made to public sector schemes, but also the legal safeguards put in place as part of these changes to protect accrued rights. (The 1922 Committee)*

### **Our position**

73. We have considered a range of other options for MPs' pensions, including the provision of defined contribution style scheme. But we remain convinced that a CARE-based pension scheme, along the same lines as the other public service pension schemes, is appropriate. We will implement our recommendations in time for accrual in the new Scheme to begin following the next general election.

74. We are grateful for the thoughtful response received from the Trustees of the Pension Fund. The Trustees have been helpful and engaged throughout this review. However, we are not able to agree to their requests for amendments to the pension scheme. The accrual rate has been set using the same mechanism (a valuation of HM Government's 'reference scheme' against the current membership) as used for the other public service schemes and we do not see a need to depart from that arrangement. Similarly, the flexibility over contribution rates and ancillary benefits are not options available to most other public servants. Our view is that the pensions provided for MPs should reflect as far as possible the experience of other public servants and, on that basis, these elements will remain as we recommended.

75. In July, we recommended that MPs should bear 40% of the cost of the pension scheme and the taxpayer 60%, based on the average cost borne by members in other public service schemes. However, HM Government noted in its response, that due to the tiering of contribution rates, workers in other public service schemes earning £74,000 will on average, pay more than 40% of the cost.

76. For this reason, along with our intention to make the overall remuneration package, cost-neutral, we judge it appropriate to increase the MPs' share of the cost. This will be achieved through increasing the share of the cost of accrual borne by the MP to 46%

(from 40%). The taxpayer will therefore pay 54% of the cost and the total remuneration package will not be more expensive.

77. It is worth noting that this is the initial split of cost when the scheme will be introduced in 2015. At future triennial valuations, the cost of the scheme may vary and will not necessarily be split in the same manner, due to the operation of the ceiling and floor, mentioned above. This is designed to protect the taxpayer from increased cost and to ensure overall stability in the contribution rates made by MPs.



## Payments on Leaving Office

### *Our recommendation*

78. We have already ended the generous system of resettlement payments that operated at the last election, under which MPs who left the House of Commons, whether by choice or not, could receive up to a year's salary. We have replaced this with an interim arrangement modelled on the system at the National Assembly for Wales, whereby an MP who decides to stand down receives nothing and an MP who is defeated at an election may receive one month's salary for each year served, up to a maximum of six months'.

79. We argued that this system remain in place for one election only, with payments following defeat at any election after May 2015 to be calculated differently. We noted:

*MPs who lose their seats are not made redundant – the position still exists and will be filled by another. But we believe that it is fair to provide them with some level of payment, since the situation is somewhat analogous. We do not however, think it is possible to justify providing all MPs with a resettlement payment, irrespective of their reasons for leaving Parliament. (MPs' Pay & Pensions: A New Package, para 135)*

80. We recommended instead that an entitlement to a payment equal to double statutory redundancy be implemented: for the 'average' MP, who leaves office with 11 years' service, this may lead to a payment of around £14,850.

### *The consultation responses*

81. Responses on this question were mixed. While many members of the public welcomed the reform of the previous system, others felt that MPs were now (with the passage of the Fixed Term Parliaments Act 2011) effectively contractors for five years, and as such should not be entitled to any payment on leaving office. Others challenged our analogy with redundancy:

*Why should they receive redundancy/resettlement when being voted out, which means in effect the voters are telling them they did not perform whilst in the role.*

*The role is still there and definition of redundant is the role/job is not required anymore. (Member of the Public)*

82. The Parliamentary Labour Party argued that the restriction of eligibility for resettlement payments would create a perverse incentive for MPs not to stand down and instead to seek another term. Similarly, the 1922 Committee argued that the combination of the removal of the universal payment and the difficulties with re-entering a career after at least five years absence, would, over time, make Parliament less attractive to those in secure careers. Others argued that it was unfair that, those MPs who would reach normal pension age in the middle of a parliament would face the choice of retiring early (without a resettlement payment and with a reduced pension) or working past normal pension age. Some other MPs argued that, since growth in pay had been low in this parliament, MPs who had retired at the last election would have pensions which were now worth more than those which would be payable to MPs who retire at the next election. Making resettlement payments to all (perhaps just for this upcoming election) would, it was argued, help to alleviate this perceived unfairness.

### ***Our position***

83. Now that we have established that payment should be made only to those who leave the House after defeat at an election, we do not propose to change our position. In our view, there is no justification for payments to MPs who leave the House of Commons of their own accord. This would be a significant departure from the experience of ordinary citizens, who do not generally receive payments for resigning.

84. Nor are we persuaded by the arguments about MPs reaching retirement age in the middle of a parliament. It is not uncommon for people to work past their normal pension age (nearly 1 in 12 people over State Pension Age do so). And leaving the House a few years before normal pension age would enable an MP to seek other employment before retirement.

85. The perceived unfairness faced by MPs who have continued to work during this parliament, as compared to their colleagues who received a pension on retirement in 2010, is not unusual. It will be faced by other employees in industries where pension

benefits increase faster than earnings, and it is not clear how extending eligibility for the resettlement payment would alleviate the perceived problem.

86. Our recommendation, of a payment equal to double the statutory redundancy entitlement for those defeated at an election, fairly reflects the experience of the ordinary citizen (and indeed is what MPs' staff receive) and will be implemented for all elections after May 2015. These payments will be named "Loss of Office Payments" rather than the anachronistic "resettlement payments".

## Completing the Modernisation of Expenses

### *Our recommendation*

87. In our July consultation document, we noted that some business costs and expenses we currently reimburse have an element of personal benefit, and that workers in other professional roles would expect to pay for these costs themselves. We noted that some had argued that these costs should be rolled into the MPs' salary, but we rejected that argument as confusing the topics of expenses and salary that we had sought to separate. We proposed to remove the expenses after the 2015 General Election.

88. The expenses we recommended should cease were:

- the food subsidy that can be claimed if Parliament sits after 7.30pm;
- hospitality (which includes payments for tea and biscuits in the office);
- hotels when the House of Commons rises before 1am (but not for those MPs who use hotel accommodation only when in London);
- taxis home if they are taken when the House of Commons rises before 11pm;
- home contents insurance (for personal possessions); and
- installation of a television and the licence for it in a residential property.

### *The consultation responses*

89. Written public responses were overwhelmingly in favour of this proposal. This was mirrored by our online survey, which found that 96% of respondents agreed and our public opinion polling which registered 80% support. One respondent said:

*I think the evening meal allowance should not exist as people have to eat anyway and the Commons facilities are heavily subsidised anyway. (Member of the Public)*

90. MPs who responded on the whole disagreed with our recommendation. Some respondents, notably the Committee on Standards, argued that expenses such as the £15 food subsidy when the House of Commons sits after 7.30pm are costs that many employers would provide when a professional is working "away from their normal workplace".

91. The Conservative 1922 Committee argued that it was usual practice for employees to fund one meal a day while at work but not two, and on this basis the food subsidy payment was reasonable. The Parliamentary Labour Party argued that there are many business costs that MPs already have to bear from their own pockets and that it would not be acceptable to extend this further.

### ***Our position***

92. In considering our position, we have considered whether these expenses meet three tests: of fairness, the experience of the ordinary citizen and whether they are regarded by HMRC as taxable benefits. These tests and the responses to the consultation have confirmed our view that these expenses have an element of personal benefit. We do not agree with the assertion made by some that the House of Commons is not an MP's normal workplace, nor that employees with working hours which cross more than one mealtime would expect their employer to pay for a meal. MPs are certainly in the unusual position of having two permanent places of work with long and variable hours that do not fit a regular working week, but this does not, in our view, constitute an argument for the taxpayer to meet these costs.

93. Nor do we believe that MPs should be free to continue to claim for the other costs identified above and consequently we have decided that they will be removed from the day after the next general election, with two exceptions.

94. Those exceptions are the costs of a television licence and home contents insurance in IPSA-funded accommodation. These expenses are both closely tied to our provision of accommodation for MPs representing constituencies outside the London Area. We have decided therefore, to consider their position further as part of the comprehensive review of MPs' accommodation we are conducting in 2014/15.

## Informing the Public

### ***Our recommendation***

95. In July we published the results of our research, which found that despite efforts by Parliament, IPSA and others, the public still did not have a good understanding of what MPs do. This, in turn, led people to believe that it was not a 'real job' deserving of professional remuneration. Our earlier research had found that as public understanding of the role increases, the more likely the public is to believe that MPs do a proper job and that they deserve a higher salary.<sup>5</sup>

96. We therefore invited MPs to produce a report annually, to sit alongside the account of business costs and expenses and of salary that we publish routinely. As we said in July:

*When everybody else is routinely having to account for what they do, there is no reason why MPs should be exempt from a similar accountability. Hand-in-hand with a professional salary goes a professional accountability. (MPs' Pay & Pensions: A New Package, para 164)*

97. We made clear in our consultation document and we reiterate now that we do not wish to set ourselves up as a performance manager of MPs. That is not our intention, nor would it be within our power. We instead invited the House of Commons to set out the form and content of the information to be provided in such a report.

### ***The consultation responses***

98. Public responses were in favour of this recommendation. David J Skyrme noted:

*In business and for those in receipt of public funds, reports often have to be monthly or quarterly, not just annually. There should be a template for what items are expected in such reports, including some mandatory sections and statistics, e.g. number of committee sessions attended, constituents 'surgeries'.*

99. Many responses noted that MPs are almost alone in the public sector in not having an annual reporting system already in place. Some also called for more extensive annual

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<sup>5</sup> MPs' Pay and Pensions: A Public Verdict, July 2010, Page 37.

reports than we had envisaged, for example one respondent to our online survey comment wrote:

*The "Report Cards" would need to be a clear and accurate summary of how MPs have performed over the year, and include a number of KPIs, to easily allow voters to compare their MPs performance with other MPs. (Member of the Public)*

Another wrote:

*They should set out an action plan of what they intend to achieve and comment on progress against these objectives giving an explanation of why this was not achieved. I would like to see community engagement activities and taking account of constituency views and being properly representative and not just party fodder. (Member of the Public)*

100. Others suggested that reports should include specific data on, for example, outside earnings or time spent on party matters.

101. MPs were, by and large, less enthusiastic about our recommendation. Some noted that they already communicated extensively with their constituents and that an Annual Report would add little value:

*I believe an "annual report" is an old-fashioned and out-of-date way of communicating with the electorate. (Rt Hon James Arbuthnot MP)*

102. Both the 1922 Committee and the PLP argued that this recommendation was outside our remit, although the 1922 Committee argued that an IPSA-funded printed annual report may be welcomed by some MPs. The Speaker pointed out several difficulties with the formulation of such a report and the risk of "unfair comparison" between MPs. He noted that our consultation paper does not make clear how the Annual Report would be collated, paid for or distributed. Other MPs argued that the electorate already holds them responsible through the ballot box at general elections.

103. During our consultation we held a seminar at the Institute for Government with several MPs, ex-MPs and regulators of other professions such as solicitors, GPs, nurses and accountants. These professions have all moved to more frequent reporting cycles,

often with re-registration required every few years. This seminar reinforced our view that professionals would expect to report annually along the lines that we suggest.

***Our position***

104. The House of Commons has not, so far, accepted our invitation to develop a reporting mechanism. But it is clear that there is considerable public appetite for the proposal and many MPs have told us that they would welcome an opportunity to explain their use of public funds.

105. We repeat our view that improved reporting should be seen as an integral part of a new remuneration package. Consequently, we have asked a member of our Board, Professor Tony Wright, himself a former MP and architect of recent reforms of the House of Commons business, to lead a small working group to develop the proposal further. We expect this group to report by the end of January and we look forward to working with MPs and the House of Commons authorities towards the successful implementation of reporting annually in the next Parliament.



## **Other Issues**

### **Pay for Specified Committee Chairs**

#### ***Our recommendation***

106. In addition to our responsibilities for MPs' basic pay, we also have a duty to determine the level of pay for specified chairs of Select Committees and for Members of the Panel of Chairs. In our consultation document, we noted that while pay for these posts had, in the past, been uprated in line with increases to MPs' base pay, we were not persuaded that such a significant increase was merited. We therefore recommended that the pay for these Committee Chairs be increased by 1% in April 2015 and that we conduct a full review of their pay arrangements in the first year of the new Parliament.
107. We also recommended some technical changes to our existing determination of pay to give effect to the current rules on eligibility.

#### ***The consultation responses***

108. This question attracted few responses. Those respondents who did comment generally agreed with our recommendation. Our online survey found that 61.5% of respondents agreed with our recommendation.
109. The Chairman of Ways and Means, Rt Hon Lindsay Hoyle MP, who is responsible for the Panel of Chairs, made a substantive response, repeating his request that we consider a shorter probation period for the Panel. His argument, that a shorter period would more accurately reflect the current working practices and membership of the Panel, deserves further consideration.

#### ***Our position***

110. We remain convinced that before any significant increase in pay for Committee Chairs can be considered, a full review of their pay arrangements is needed. We will conduct this in the first year of the Parliament, once we have completed our statutory review of MPs' basic pay. As part of that review we will consider Rt Hon Lindsay Hoyle MP's suggestion, as well as considering the responsibilities and time commitments associated with the roles.

111. The determination of pay for the specified posts, which incorporates the 1% increase in April 2015 and the extant rules on eligibility for the payment, is attached at Annex B.

### **Pensions for the Great Officers of State**

#### ***Our recommendation***

112. We also consulted on the question of whether to amend the MPs' Pension Scheme to allow the Prime Minister, the Speaker of the House of Commons and the Lord Chancellor to participate. Holders of these offices are currently prohibited from membership of the Scheme, as until recently there was special provision for their pensions. With the passage of the Public Service Pensions Act 2013, this special provision has been removed and we proposed to allow them to participate in the existing scheme.

#### ***The consultation responses***

113. We received few responses on this issue, but those received were generally in favour. Our online survey found that 66.8% of respondents were in favour.

#### ***Our position***

114. We propose to reflect the Public Service Pensions Act 2013's provisions by amending the MPs' Pension Scheme to allow the Great Officers to participate. This will be done through a short amendment scheme which we will lay before the House of Commons in the near future.

## **The timing of our announcement**

115. We continue to believe that it is right to make the prospective package clear to all now. This will allow candidates and electors to know well in advance of the election the package of remuneration that successful candidates will receive in the next Parliament. Nonetheless, two arguments have been made in support of the proposition that we should delay any announcement. First, that it will create difficulties for those standing for election in 2015. Second, that it will lead to some candidates facing pressure to refuse to accept any increase in pay. We will deal with those arguments in turn.
116. First, the argument that we create difficulties for those standing for election. One of IPSA's primary purposes is to increase transparency in relation to MPs' business costs, expenses and remuneration. We have always operated in the open and have now held two public consultations on the new package of remuneration. It would not be acceptable, nor credible, for us to conclude that process and then not make the conclusion known to all. In a democracy it is right and proper that electors and candidates should have full information about what is involved in holding the office.
117. Of course, candidates can expect robust questioning on their positions and plans. But questions about pay are for IPSA, not MPs. It is for IPSA, as an independent body created by statute, to determine MPs' pay and it is for IPSA to explain the decision taken. Candidates have no more say than any other citizen. They should feel able to explain this to electors on the doorstep.
118. Second, the argument that some candidates will face pressure to refuse to accept the pay increase. We acknowledge that this is a concern. There have been occasions when some MPs have refused to accept an increase in pay for a period in the past.
119. We understand that in advance of the election candidates are likely to come under pressure to refuse to accept the pay rise. Indeed, some MPs have already indicated that, should they be re-elected, they will not accept the full amount to which they are entitled. While the prospect of MPs taking less money from the taxpayer may be an attractive prospect to some members of the public, we do not believe that it would be

acceptable, as it would result in a race to the bottom and favour those with personal wealth.

120. In accordance with our legislation, we will pay all MPs their full salary each month, after appropriate deductions for tax, national insurance and pension contributions. We will not agree to any request from an MP for a reduction in their salary. However, just like any other citizen, should they wish to give away their salary themselves, they will be free to do so.

121. No candidate should therefore feel obliged – or tempted – to make any promise about taking a reduced salary if elected. All candidates should be clear that such promises will have no effect on the arrangements operated by IPSA.

## **Annex A: Determination on MPs' pay**

1. This determination was made by IPSA under Section 4 of the Parliamentary Standards Act 2009 on 5 December 2013 and comes into effect on 30 September 2015.
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 average earnings.
4. For the purposes of this determination 'annual change in average earnings' means the seasonally adjusted three month average change in whole economy 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-KAC3 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 5 December 2013 and comes into effect on that date.
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. The amounts of Additional Salary per annum from 1 April 2014 and 1 April 2015 are shown in Table 1.
4. 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***

5. 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).

6. 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.
7. 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***

8. 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.
9. The level of salary shall be based on the length of time served as a Member of the Panel of Chairs, as set out in paragraph 10 and Table 1.
10. Length of service shall include membership of the Panel before 8 January 2013 (the date of IPSA's first determination under Section 4) and shall be calculated irrespective of breaks in service.
11. For the purposes of determining which level of additional salary a Member is entitled to, the following salary tiers based on length of service shall apply:
  - a. less than one year;
  - b. for at least one year but less than three years;
  - c. for at least three years and less than five years; and
  - d. for at least five years.

**Table 1: Additional pay for Specified Committee Chairs**

	<b>April 2014 (£)</b>	<b>April 2015 (£)</b>
<b>Chair of a Specified Select Committee</b>	14,876	15,025
<b>Member of the Panel of Chairs (Less than one year)</b>	2,970	3,000
<b>Member of the Panel of Chairs (1-3 years)</b>	8,331	8,415
<b>Member of the Panel of Chairs (3-5 years)</b>	11,305	11,419
<b>Member of the Panel of Chairs (5 years or more)</b>	14,876	15,025



## Annex C: Equality Impact Assessment

1. IPSA, as a public body, is required to meet the public sector equality duty set out in the Equality Act 2010. The duty includes a requirement that public bodies must consider the needs of all individuals in shaping policy and delivering services. In addition, the Act also makes it unlawful for public bodies to discriminate against individuals based upon certain “protected” characteristics. These characteristics are age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, sex, and sexual orientation.
2. In fulfilment of that duty, we have considered throughout this review what impact our recommendations may have on the equality and diversity of the House of Commons and on individuals with the protected characteristics.
3. Our first consultation asked “Are there any factors which may affect the quality and diversity of the House of Commons which you think IPSA should take into account when reviewing MPs’ Pay and Pensions?” We noted that there is little evidence that remuneration would have an impact on these issues and we received relatively few responses to this question. Some respondents noted that other factors, such as the “selection/election of candidates and the perceived attraction/unattraction of being an MP” (Richard Graham MP) are more likely to affect equality and diversity than levels of pay. Others remarked that long term pay restraint may lead (or have led) to service as an MP being attractive only to those who do not need a salary or those on low incomes. The significant increase in MPs’ pay and the indexation that we propose may help to alleviate this risk.
4. We have not received any further significant evidence that our recommendations would have an impact on any of the protected characteristics.
5. We propose that the impact of pay, pensions and other aspects of remuneration on equality and diversity be reviewed regularly as part of the statutory review of pay in the first year of each parliament.

## Annex D: Summary of Public Opinion Polling

We have conducted two external opinion polls as part of our consultation. A summary of the results is below. The full results are available on our website [www.parliamentarystandards.org.uk](http://www.parliamentarystandards.org.uk)

Some of the percentages below may not add up to 100% due to rounding.

### YouGov – July 2013

YouGov surveyed 1,965 adults online between 15-16 July 2013. The figures were weighted and are representative of all GB adults (aged 18 and over). This survey focussed on constituent's knowledge of their MP's work.

#### Key questions

How much would you say you know about what your Member of Parliament does in your local area and community?

	% of responses
A lot	4
A fair amount	20
Not a lot	41
Nothing at all	28
Don't know	7
<b>Total 'a lot/a fair amount'</b>	<b>24</b>
<b>Total 'not a lot/nothing at all'</b>	<b>69</b>

How much would you say you know about what your Member of Parliament does when he or she is in Westminster?

	% of responses
A lot	3
A fair amount	13
Not a lot	40
Nothing at all	36
Don't know	8
<b>Total 'a lot/a fair amount'</b>	<b>16</b>
<b>Total 'not a lot/nothing at all'</b>	<b>76</b>

How interested, if at all, would you be in finding out more about what your Member of Parliament does in your local area and when they are at Westminster?

	% of responses
Very interested	17
Fairly interested	48
Not very interested	20
Not interested at all	10
Don't know	4
<b>Total interested</b>	<b>65</b>
<b>Total not interested</b>	<b>30</b>

How interested, if at all, would you be in receiving an annual report, written by your Member of Parliament, explaining what they have done in their role in the previous year and how they have spent any expenses?

	% of responses
Very interested	32
Fairly interested	42
Not very interested	12
Not interested at all	9
Don't know	4
<b>Total interested</b>	<b>74</b>
<b>Total not interested</b>	<b>21</b>

## ComRes – September 2013

ComRes interviewed 2249 UK adults online between 20th September and 24th September 2013. The figures were weighted and are representative of all GB adults (aged 18 and over).

### Key questions

To what extent, if at all, do you support or oppose the following proposals that have been put forward by IPSA regarding what MPs should be paid?

a) IPSA have proposed moving MPs to a pension scheme that is in line with the rest of the public sector. This change will create some new costs to the tax payer of around £750,000 per year in some areas, but will create savings of around £2.4 million per year in others. Overall, this change will save the taxpayer £1.6 million per year.

	% of responses
Strongly support	33
Tend to support	39
Tend to oppose	6
Strongly oppose	3
Don't know	19
<b>Total support</b>	<b>72</b>
<b>Total oppose</b>	<b>9</b>

b) For elections after 2015, IPSA have proposed scrapping resettlement payments altogether, and introducing a redundancy-like payment, available only to those who contest their seat and lose

	% of responses
Strongly support	32
Tend to support	40
Tend to oppose	8
Strongly oppose	2
Don't know	19
<b>Total support</b>	<b>71</b>
<b>Total oppose</b>	<b>10</b>

c) IPSA have proposed trimming back the expenses MPs can claim to bring them more into line with other jobs. Expenses that could be cut include TV licences, meal allowances and hospitality

	% of responses
Strongly support	55
Tend to support	25
Tend to oppose	4
Strongly oppose	2
Don't know	14
<b>Total support</b>	<b>80</b>
<b>Total oppose</b>	<b>6</b>

IPSA is proposing a salary of £74,000 for MPs following the 2015 general election. What, if anything, do you think about this?

	% of responses
Far too high	31
A little too high	34
About right	24
A little too low	3
Far too low	1
Don't know	7
<b>Total too high</b>	<b>66</b>
<b>About right</b>	<b>24</b>
<b>Don't know</b>	<b>7</b>
<b>Total too low</b>	<b>4</b>

The main elements of the package IPSA is proposing are:

- bringing pensions in line with the public sector;
- replacing resettlement payments;
- trimming back expenses;
- a salary of £74,000.

Some these elements will save the taxpayer money, and some will cost more. Altogether, the changes will increase the cost of MPs' pay package by around 0.8%. Considering the balance and fairness of the package as a whole, which, if any, of the following statements best describe your attitude towards the package?

	% of responses
Far too generous	25
A little too generous	33
About right	28
Not quite generous	2
Not at all generous enough	<1
Don't know	11
<b>Total too generous</b>	<b>58</b>
<b>About right</b>	<b>28</b>
<b>Total not generous enough</b>	<b>3</b>

If IPSA proposed a similar package to the one outlined in the previous question, but would not cost the taxpayer any more than what they are paying already, which if any of the following would best describe your attitude towards the package?

	% of responses
Far too generous	19
A little too generous	26
About right	40
Not quite generous enough	2
Not at all generous enough	1
Don't know	12
<b>Total too generous</b>	<b>45</b>
<b>About right</b>	<b>40</b>
<b>Total not generous enough</b>	<b>3</b>

