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### **REVIEWING MPs' PAY AND PENSIONS**

I am pleased to attach an advance, near-final version of IPSA's report, *Reviewing MPs' Pay and Pensions*. The report analyses the responses to our recent consultation on MPs' pay and pensions and suggests a framework for future work. The annexes include a survey of MPs carried out for us by YouGov in October 2012.

Our plan is to publish the report on our website on 10 January, most likely in the early afternoon. Hard copies will be available in due course and we will send you a further copy of the report once it has been finalised.

As you may recall, this first stage of our Review sought views on the principles which should inform a future remuneration package for MPs. We did not ask, in our consultation document, for views on salary levels nor specific pension benefit designs. This report therefore does not propose a detailed new remuneration package for MPs, but instead sets out a framework for future work.

In this report, we have sought to assist the next IPSA Board by analysing the key issues raised during the consultation. We have assessed the public's views on the key questions (expressed through polls, online comments and responses to the consultation) and identified issues that we think should be resolved in the near future. Equally, there are some approaches that we do not think are likely to be part of any ultimate solution and we identify them. Our consultation also addressed two more immediate issues –whether to implement a short-term pay rise for MPs in line with those in the public sector and whether to extend the interim resettlement payment policy. Our conclusions on these issues are set out in the report.

The work to develop and determine the full long-term remuneration package for MPs will now proceed, informed by the advice and evidence that we have received from the public and other interested parties. Those proposals will be presented for further public consultation in the spring, with a view to announcing IPSA's decision in September. Implementation will follow the general election.

Andrew McDonald  
Chief Executive