

Changes to the Scheme of MPs' business costs as a result of coronavirus

25 June 2020

IPSA has produced an 'Addendum' to the Scheme of MPs' Business Costs and Expenses, setting out a number of changes to the rules for the 2020-21 financial year. These changes are designed to provide additional support to MPs' offices and staff members in dealing with challenges posed by the coronavirus pandemic, while continuing to represent and assist constituents. A summary of these changes is below. You can read the full text of the Addendum [here](#). A list of Frequently Asked Questions is available [here](#).

The changes apply to MPs' business costs from 1 April 2020 for the 2020-21 financial year. IPSA is continuing to monitor Government guidance and feedback from MPs and their staff. Depending on how the situation develops, IPSA will keep the new provisions under review and may bring any of the temporary measures to an end during the financial year, but will give reasonable notice before doing so. Any additional staffing funding that is agreed will not be withdrawn during the financial year. Unless otherwise stated, all of the other rules and conditions in the 2020-21 Scheme remain in force.

Deadline for the submission of claims

In light of the difficulties MPs' offices may face during this period, IPSA has extended the normal 90-day deadline for the submission of claims. For costs relating to the 2020-21 financial year, claims must be submitted no later than 120 days after the cost was incurred.

Requirement to provide supporting evidence with claims

IPSA recognises that during this period it may be more difficult to obtain invoices from suppliers and other evidence in order to support claims. Therefore, claims may be submitted without supporting evidence, where that evidence is unavailable as a result of coronavirus. Where IPSA pays claims without supporting evidence, MPs must ensure that the evidence is submitted no later than 120 days after the submission of the claim. If this evidence is not submitted by the deadline, IPSA will ask for the amount to be repaid.

Additional funding for the office costs budget

On 19 March 2020, IPSA announced an immediate increase of £10,000 to each MP's office costs budget, in order to support their staff in moving to homeworking. This amount is available until the end of the 2020-21 financial year. Any unspent amount of this uplift from an MP's 2019-20 office costs budget will be 'rolled over' and made available in the current year. The amounts available for individual MPs will be confirmed following closure of the 2019-20 financial year.

Additional funding for the staffing budget

In order to respond to a rise in workload for their offices as a result of coronavirus, MPs may request an increase to their staffing budget for 2020-21, up to a maximum of £18,270 for London Area MPs and £16,480 for non-London Area MPs.

MPs can decide how best to meet the additional demand faced by their office, and could use the additional funding to take on new staff on a fixed-term basis, or to increase the contractual hours or overtime payments in respect of existing staff. Use of the additional funding is subject to the normal staffing budget rules set out in the main Scheme.

In order to request additional funding, MPs must submit the relevant document, accompanied by a statement that the additional funding is needed as a direct result of coronavirus-related demand.

Relevant document includes:

- For a new fixed-term staff member: a new starter form, contract, job description and other required new starter documentation
- For additional contractual hours: a completed salary and hours amendment form
- For overtime claims: timesheets for the relevant period.

MPs may make more than one request for an increase to the staffing budget during the 2020-21 financial year, so long as the total amount requested does not exceed the maximum amount.

Homeworking allowance for staff

Staff members who are working from home are eligible to receive an allowance of £26 per month, to cover homeworking expenses, such as telephone, internet, electricity and gas usage, that are additional to the normal costs of living in the home. While in receipt of the allowance, staff members must not claim separately for such costs.

Staff members need to be working from home regularly in order to be eligible for the allowance. The homeworking allowance will be administered on an 'opt-out' basis, meaning that all staff members will receive the allowance by default. However, if staff members are not working from home, or should not receive the allowance for other reasons, the MP or payroll proxy must notify IPSA by the 15th of each month, so that the necessary changes can be made to the payroll.

The first payment of the allowance will be made through the July payroll, covering the months April through July.

In line with HMRC guidance, for most staff members the allowance will not be subject to tax. However, this may be impacted an individual's circumstances, and they may need to seek further guidance from HMRC.