

<b>BOARD PAPER</b>	
Paper ref:	IPSA/280623
Agenda item:	



**OFFICIAL – SENSITIVE**

**DATE:** 28 June 2023

**SUBJECT:** Consultation on boundary changes and support to MPs leaving Parliament – Analysis of responses

**PURPOSE:** For decision

**ANNEXES:** Annex 1: Consultation responses  
Annex 2: Options for extending the winding-up period  
Annex 3: Communication plan for announcement of changes

**Issue**

1. To consider responses to the recent consultation on Scheme changes on the payments and other support for MPs and their staff when leaving Parliament.

**Brief background**

2. In March, the Board approved a consultation document covering proposals to amend the eligibility rules for the loss of office payment (LOOP) and winding-up payments, in light of expected constituency boundary changes and the repeal of the Fixed Term Parliaments Act; and including questions about the timing of payments, the length of the winding-up period and the provision of other non-financial support to former MPs and their staff after an election. In finalising these proposals, the Board took account of the report published in February by the House of Commons Administration Committee<sup>1</sup>.
3. The consultation was launched after the Easter recess on 13 April. As normal, we wrote to statutory consultees and other senior stakeholders, communicated with our customers about the consultation via the Bulletin and issued a press notice. It ran for seven weeks and closed on 2 June.
4. We received 65 responses, including 58 responses to the online survey and seven responses in writing. Of those responses, five (7.7%) were Statutory Consultees, 16 (24.6%) were MPs, 31 (47.7%) were MPs' staff members and seven (10.7%) were former MPs. The remaining six (9.2%) were members of the public and other stakeholders.

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<sup>1</sup> 'Smoothing the cliff edge: supporting MPs at their point of departure from elected office'  
<https://publications.parliament.uk/pa/cm5803/cmselect/cmadmin/209/summary.html>

5. Written responses included those from the Leader of the House (on behalf of the Government), Chair of the Administration Committee, the Unite Union and the Members' and Peers' Staff Association (MAPSA).
6. **Annex 1** provides the full set of comments from the survey, arranged by topic, as well as the full written responses received.

## Recommendations

7. In relation to the questions posed in the consultation, we recommend that the Board agrees:
  - a. That LOOP be paid to all MPs who lose their seat at a general election, meaning that they were an MP on the day before the dissolution of Parliament and a candidate for re-election; but not re-elected. This would include where they stand unsuccessfully in a new or different seat, for instance as a result of constituency boundary changes.
  - b. That any LOOP a former MP is entitled to be paid at the end of the winding-up period, rather than once all winding-up tasks are complete. There would be remaining discretion for IPSA to withhold amounts relating to known debts and to withhold payment in cases of exceptional risk.
  - c. That the winding-up payment be paid to all MPs who lose their seat, stand unsuccessfully in a new or different seat or stand down at a general election.
  - d. That the winding-up period be extended from two months to **four** months.
  - e. That the start-up supplement of £6,000 be made available to all MPs elected at the next election, due to the unique circumstances of constituency boundary changes.
8. Additionally, we would be interested to have the Board's steer on the following:
  - a. Whether the winding-up payment should be paid to MPs who leave Parliament outside of an election – or whether this question is best left to the next statutory review of MPs' remuneration.
  - b. Whether the normal 90-day period for making claims should be shortened to 30 days in respect of winding-up costs.
  - c. To what extent IPSA should be involved in the non-financial, wellbeing and career transition support for former MPs (which we believe should be led by the House of Commons Commission and House service).
  - d. Whether it would be appropriate to offer financial support or incentive to staff members who are required to relocate in order to remain with their employer.

## Key arguments

### LOOP – eligibility rules

9. The Scheme provides for LOOP to be paid to MPs who stand unsuccessfully for re-election. The current eligibility criteria for these payments assume that it will be possible for an MP to stand in the 'same seat', and if someone were to stand unsuccessfully in a new seat, they would not be eligible to receive a payment.
10. As noted in the consultation, the expected constituency boundary changes means that (at least at the next election) it will be much more difficult to define the 'same seat' in the context of the rules. It is also possible that some constituencies will cease to exist and therefore it will not be possible for MPs to stand for re-election in the 'same seat' in which they are the incumbent. The intention behind LOOP provision is to provide financial support for MPs who stand for another term in Parliament but are unsuccessful, similar to the role of redundancy payments in other situations. Therefore the consultation proposed a change to make LOOP payable to an MP who stood for re-election in the same seat but not re-elected, or who stood unsuccessfully in a new or different seat.
11. We asked:
 

**Question 1: Do you agree that IPSA should amend the eligibility for LOOP to be payable to MPs 'if they lose their seat at a general election, meaning that they were an MP on the day before the dissolution of Parliament and are either a candidate for re-election, but not re-elected; or stand unsuccessfully in a new seat'?**

**Question 2: Do you have any comments on the wider eligibility of LOOP payments?**
12. 94.7% of survey respondents to the first question answered positively.
13. On the second question about wider eligibility of LOOP payments, respondents expressed a range of views. A few stated that loss of office should be seen as an exit from a 'fixed-term contract' that has not been renewed, and therefore no redundancy-type payment is necessary.
14. On the other hand, some respondents commented that LOOP was insufficient and advocated for a fixed amount or a return to 'resettlement grant' arrangements to combat the potential for financial hardship. criticised IPSA's 'unwillingness' to revisit LOOP and compared it with arrangements in the Scottish Parliament, which provide one month's salary for each year of service, with a minimum of six and maximum of 12 months.
15. Other comments noted that a policy which might encourage an MP to stand in any seat may result in undesirable behaviour, such as an MP standing in an unrelated/uncontested seat or multiple MPs standing for the same party in order to qualify for LOOP. This could lead to reputational risk or damage for IPSA if policies are seen to incentivise people to contest elections and therefore to interfere with electoral outcomes. One respondent suggested that this could be mitigated with controls such as payment being contingent on an MP not losing their deposit – in other words MPs with no realistic prospect of winning a seat would not be incentivised to stand just to receive LOOP.
16. The loss of constituency numbers within certain districts or nations may lead to MPs standing down without LOOP rather than the attempting to stand elsewhere to qualify.

17. **We recommend that the Board agrees a change to make LOOP payable to all MPs who lose their seat at a general election, including those who stand in a new seat unsuccessfully.** This could be framed as a one-off change in the context of boundary changes at the next election, and reconsidered for future elections at a later date. We acknowledge the risk that some MPs may stand without any real prospect of winning a seat as a result of this policy; however we do not believe it is appropriate for IPSA to base eligibility for a payment on electoral outcomes (for example requiring a certain percentage of the vote to be won).
18. We do not recommend that the Board makes any changes at this time to the calculation of LOOP, or the requirement that (in line with statutory redundancy provisions) a minimum of two years' service is required. These issues would be more appropriately considered as part of the statutory review of MPs' remuneration, which is due in the first year of the next parliament. We would also suggest that an increase in the winding-up payment (see below) would significantly mitigate the risk of financial hardship in the months after losing office.

#### LOOP – timing of payment

19. Under the current Scheme rules, the timing of the LOOP payment and the circumstances in which this is payable are specific, and payment can only be made following the completion of key activities generally occurring at the end of the winding-up process. The consultation acknowledged that the process of winding up a former MP's parliamentary affairs can take a number of months, sometimes due to circumstances outside of both IPSA's and the former MP's control. In these cases it would be unfair to withhold the payment of LOOP until all actions have been completed and this may risk causing financial hardship. The consultation proposed a change to make LOOP payable at the end of the winding-up period, rather than waiting until all winding-up actions are completed. Prompt payment of any LOOP entitlement would be of more benefit to a former MP as they leave Parliament and transition to alternative employment.
20. The proposal would still enable IPSA to offset 'known' debts, such as for office or accommodation deposit loans, against the LOOP payable; and would allow IPSA to withhold payment in cases of exceptional risk, such as where there are very high amounts owed or other extenuating circumstances.
21. We asked:
- Question 3: Do you agree that any LOOP entitlement should be paid at the end of the winding-up period?**
22. 82% of survey respondents to this question answered positively.
23. **We recommend that the Board agrees a change to make LOOP payable at the end of the winding-up period. IPSA would retain the ability to deduct known debts from a former MP's LOOP entitlement, and to withhold the payment in cases of significant risk.**

#### Winding-up payments

24. The Scheme provides for a winding-up payment to be made in one of two circumstances: where an MP stands for re-election in the same seat but is unsuccessful, or where an MP stands down at a 'snap' election. As with the eligibility rules for LOOP, these criteria assume that it will be possible for an MP to stand in the 'same seat'. They also assume that a five-year fixed-term Parliament is the norm, while snap elections are the exception.
25. As with LOOP, we proposed to re-define the eligibility to the winding-up payment by removing the requirement for MPs to stand in the 'same seat' at a general election.
26. In addition, the repeal of the Fixed Term Parliaments Act means that it is no longer possible to define the eligibility of the winding-up payment with reference to the fixed parliamentary term. The consultation acknowledged that although a former MP is no longer eligible to receive a salary, there is an expectation that work will continue in order to close down their offices and deal with outstanding matters. We proposed to remove the requirement for standing down MPs to have done so at a general election 'which occurs before the end of a fixed parliamentary term', meaning that effectively all former MPs would be eligible to receive a winding-up payment if they leave Parliament at a general election.
27. We asked:
- Question 4: Do you agree that IPSA should amend eligibility for the winding-up payment to be payable to former MPs if 'they lose their seat, stand unsuccessfully in a new seat, or stand down at a general election'?**
- Question 5: Do you have any comments about the wider eligibility for the winding-up payment?**
28. 91.2% of survey respondents to this question answered positively.
29. Many comments in this section related to the length of the winding-up period, and others referred to LOOP rather than the winding-up payment. Of those specifically relating to eligibility for the winding-up payment, some advocated for this to be paid in all cases, not just in the context of an election, including where an MP leaves Parliament for reasons of ill health or other personal reasons.
30. **We recommend that the Board agrees a change to make the winding-up payment payable to all MPs who lose their seat, stand unsuccessfully in a new or different seat, or stand down at a general election (removing the reference to a 'fixed parliamentary term').** This would be consistent with the notion that the winding-up payment reflects a sort of 'notice period' payment for MPs who leave Parliament. All former MPs, regardless of whether they leave voluntarily or whether the election is expected, would need to carry out work during the winding-up period to close down their affairs and many would therefore find it difficult to move onto other employment during those months.
31. **In addition, we would be interested to hear the Board's view on whether the winding-up payment should be paid to MPs who leave Parliament outside of an election.** The Board's previous view has been that MPs who do so will normally have been able to plan their exit;



38. In response on behalf of the Government, [redacted] wrote: “Should the evidence bear this out, we would support an extension of the winding-up period to better reflect the amount of time it takes to conclude an MPs’ parliamentary affairs. Any extension should be kept as short as necessary so as to not incur unnecessary costs for the taxpayer.”
39. **We recommend that the Board agrees to extend the winding-up period to four months. In tandem, the winding-up payment would be increased to reflect four months’ net salary.** IPSA’s own experience of previous elections shows that it is unlikely that former MPs and their staff will be able to carry out all winding-up tasks within two months; and after that the loss of key staff makes things much more difficult (or alternatively, there is a reliance on staff members to continue to work while no longer being paid).
40. As set out in the separate paper, an extension to four months would also provide the opportunity to restrict any payment of pay-in-lieu-of-notice (PILON) beyond the end of the period.
41. We recognise that extending the period has the potential to increase costs significantly. For a four-month period the winding-up payment would be around £16,700, with an estimated total cost (based on an assumed turnover of 200 MPs) of around £3.3 million. Allowing staff to remain employed and leases to run for longer would come with higher cost; although as mentioned, costs could be mitigated by the elimination of any PILON beyond the period.
42. That said, allowing staff to remain employed for a bit longer could have the effect of making winding-up more efficient overall. This would help improve our service to new and returned MPs, by shortening the period of intensive support required by departing MPs. Getting new MPs on the right track early on in their parliamentary careers could help mitigate the risk of poor financial practice in the long run.
43. We have considered whether it would be possible to keep the two-month winding-up period as it is, while also adding on a further one or two-month ‘closing-down period’, where one member of staff (the proxy) could remain employed to complete final tasks. However we are conscious that this would add complexity and could be confusing to customers. Annex 2 sets out the pros and cons of a number of options.
44. **In addition, we would be interested in hearing the Board’s view on whether the normal 90-day period for submission of claims should be shortened for the winding-up period.** Without a change, extension of the period could have the effect of drawing out the whole process even more. With winding up as the sole focus for former MPs and their staff, we suggest that a 30-day period would be reasonable.

#### Support for constituency changes and office relocation

45. As a result of constituency boundary changes, some MPs may wish or need to relocate their constituency offices or may have been elected to a new constituency altogether. Under the current Scheme rules, newly elected MPs are entitled to an additional £6,000 to fund start-up costs, such as the purchase of equipment and furniture for their constituency office. There are no specific provisions for additional funding to MPs elected to a new seat, in terms of setting up a new office or closing down their old office (although removal costs come from the central

contingency budget). We would expect that, where possible, MPs will transfer some or all of their furniture and equipment to a new office rather than purchasing new equipment.

46. We asked:

**Question 7: Do you have any comments about the funding provided to MPs who are elected to a new seat or whose constituencies change following the boundary review?**

47. In total, 24 comments were received for this question, 23 of which agreed that additional funding should be provided to MPs who are elected to a new seat or whose constituency boundaries change following the review. Twenty-one comments centred on the office facilities and included consideration of moving offices if they needed to be centrally located within a new boundary. Although some items could be removed additional costs suggested included news leases, signage or furniture.
48. One comment suggested that this should be a transparent process via contingency funding, which would require the MP to make a clear public argument for why they needed to move their office and why they are seeking additional funds. Another suggested that funding could be dependent on certain criteria, such as the degree of change resulting from the boundary review. Comments also included the provision for winding up old offices and support with workload.
49. One MP raised the issue of staff relocation, where the constituency office is moved a significant distance away and staff are facing very long commutes. The MP suggested a 'relocation subsidy' for staff for the first year after the election to support the transition and help with staff retention.
50. **We recommend that the Board agrees a change to make the start-up supplement of £6,000 available to all MPs elected at the next election, due to the unique circumstances of constituency boundary changes.**
51. This would come with significant additional cost; £6,000 for 650 MPs would total £3.9 million. An alternative could be a smaller start-up amount for MPs who are returning to Parliament (e.g. £3,000) than for those who are newly elected. Based on an assumption of 200 new MPs, this would total £2.55 million.
52. To note, the changes being explored as part of the Improving IPSA programme to provide centralised office services could reduce or eliminate the need for a start-up supplement in the future.
53. **We would be interested to hear the Board's views on the question of financial support for staff who are required to relocate.** We do not think it would be appropriate to cover staff members' commuting costs where the constituency office is relocated, and this would almost certainly have tax implications. MPs are already able to offer home-based and hybrid contracts to staff if they live far from the office. That said, we do recognise that there may be a challenge for some MPs in retaining their experienced staff where they move offices or stand in a different constituency. One possibility might be to allow MPs to make a one-off payment (such as an 'enhanced' reward and recognition payment) to staff members who agree to stay on.

### Non-financial support for MPs leaving Parliament

54. There are challenges for former MPs as they prepare for, and transition to, life outside Parliament; this is brought out particularly strongly in the Administration Committee's report. IPSA provides the LOOP and winding-up payments as financial support to former MPs while they find alternative employment or prepare for retirement, but the consultation acknowledges that there should be support beyond financial payments. In other employment situations, for example, employers will provide 'preparation for retirement courses' for their staff or support finding alternative careers. We committed to working with the House to explore further how a broader package of practical, non-financial measures could be implemented for MPs who lose their seats.

55. We asked:

**Question 8: What additional, non-financial support do you think IPSA should provide to MPs leaving Parliament?**

56. The most popular answer within this question was the provision and support with future job searches. Examples include MPs and staff being provided with guidance for CV completion, introductions to recruiters or head-hunters, or opportunities to transition into alternative employment within Parliament. The next most popular answer was for counselling and mental health services to support both MPs and their staff. Examples were given of the strain on mental health at the last general election and the need to avoid this in future. Suggestions also included retraining or provision of courses to help secure alternative employment.

57. A few respondents strongly disagreed with the idea of any support for former MPs. A couple said that financial support was more important than non-financial.

58.                                stated that, although not a matter for Government,                                was committed to working closely with IPSA in considering any new proposals, and referred to a survey being run through the House of Commons Commission on what additional support and services can be developed to enable MPs to do their job better. Results are expected to be reported back to the Commission and Administration Committee in summary form in July 2023.

59. **We are not making a specific recommendation at this stage and ahead of the survey results but would be interested in a steer from Board members about IPSA's involvement in the wellbeing and other non-financial support which (we suggest) should be led by the Commission and House service.** One possibility could be to change IPSA's previous stance on claims for things like CV writing and interview skills training during the winding-up period (at previous election we did not allow such claims as they were not in support of parliamentary work nor strictly related to the winding up of the MP's affairs).

### Support for staff members leaving employment

60. Changes to constituency boundaries and the increased uncertainty of parliamentary terms will also impact on MP's staff. The consultation asked about what additional support can be provided

to staff who may move, with their employing MP, to a new constituency, as well as to staff during the winding-up process.

61. We asked:

**Question 9: What additional support do you think IPSA should provide to MP's staff?**

62. This question received the highest number of comments in the survey (51). Around a third related to the types of non-financial support outlined under Question 8, such as counselling and mental health services, recruitment and retraining. As for other questions, the subject of staff relocation was highlighted, with suggestions that a relocation or travel allowance could be provided or help with finding alternative employment if needed as a result of an office move.

63. Written responses from Unite and MAPSA highlighted the impact on staff, including job losses and changing work locations and environments. Both also referred to the need to handle redundancies properly and to support staff members through the process.

64. A number of comments in response to this question related to more general issues around staff contracts, the staffing budgets and pay scales. Many of these will be addressed through the 'Improving staff working lives' project, which is the subject of a separate paper. Some of the suggestions made are already available with IPSA contracts, such as flexible, hybrid or home working.

65. Fourteen respondents commented on staff redundancy provision and many of those on the comparison with LOOP (to note: staff redundancy is calculated in the same way as LOOP, i.e. double statutory redundancy). Comments also covered the need for continuity of service to be recognised if staff move to employment with a different MP; and also advocated a more generous redundancy package without the two-year minimum service, or another solution that might address the abruptness and financial impact of termination of employment.

66. We are not making specific recommendations at this stage, but consultation responses will be fed into the 'Improving MP staff working lives' project.

#### Equality and diversity impacts

67. The final question in the consultation asked about the potential for the issues discussed to have an impact on equality and diversity. This is to feed into our equality impact assessment of any changes.

68. We asked:

**Question 10: What likely or actual impact do you believe the Scheme and matters raised in this consultation may have on equality and diversity in relation to MPs and their staff?**

69. A few respondents said that the changes proposed were likely to improve equality and diversity. A handful also suggested there was no impact, and one said that these are much bigger issues that 'tweaks' to the Scheme wouldn't resolve.

70. Respondents commented on the potential impact on former MPs' quality of life and possible financial hardship due to loss of income. This would be magnified for younger MPs with shorter length of service, those who are expecting or have recently had a child, and single parents. Other comments suggested there was a greater impact on those who are older but who are not yet eligible to take their pension entitlement.
71. Some responses said that people from poorer or more diverse backgrounds would be discouraged from standing for elected office as a result of the provisions in the Scheme. One respondent suggested that the difficulties experienced by former MPs would be worse for someone with a disability or who is neurodivergent or who did not speak English as their first language.

#### Other issues: HMRC and 'termination payments' to MPs

72. In reviewing the taxable status of termination payments to MPs ceasing to hold office, we note that as specified within s291 of the Income Tax (Earnings and Pensions) Act 2003, payments made under s5(1) of the Parliamentary Standards Act 2009 'in connection with a person's ceasing to be a member of the House of Commons' are exempt from tax. We are making further enquires with HMRC to ensure these payments are being treated correctly from a tax perspective. Our previous approach has been to treat them as redundancy payments, meaning that they are exempt from tax up to the threshold of £30,000.

#### **Risk and opportunity assessment**

73. Any proposal which involves more money being paid to former MPs holds some reputational risk to IPSA from the point of view of members of the public and media – particularly in the current context of rising cost of living and pay disputes in the public sector.

#### **Resource assessment – people and finance**

74. The recommendations in this paper would come with increased cost. The separate paper on 2024-25 budgets attempts to estimate the impact.

#### **Customer assessment**

75. Adoption of the changes into the Scheme relating to LOOP and winding-up payments will provide a transparent, consistent and formal approach and give early clarity to the financial support available, particularly as the election approaches and customers start to consider their future in Parliament.
76. We expect that an extended winding-up period would be welcomed by customers in theory, but not if the result is to draw out the process of winding up unnecessarily.

#### **ESG (Environmental, Social, and Governance) assessment**

77. Equality and diversity impacts are covered above. We intend to publish an Equality Impact Assessment along with the consultation report.

### **Operational and technological assessment**

- 78. Extending the winding-up period is likely to be beneficial from an operational perspective, particularly if experienced staff members can be retained for longer to deal with administrative activities on behalf of the former MP.
- 79. In the long run it may also make it easier for MPs to have break clauses in their lease agreements agreed, if the notice period would be four rather than two months; this is untested however.

### **Political and legal assessment**

- 80. The issues discussed are political sensitive as they relate to electoral outcomes and payments made to former MPs.
- 81. Changes to the Scheme rules would need to be laid before the House of Commons.

### **Communications assessment**

- 82. Changes to Scheme rules on LOOP, winding-up payments, the winding-up period and start up supplement would need to be laid before the House as part of a revised Scheme document.
- 83. Proposals for communicating the Board's decisions on these issues are set out in **Annex 3**.

## Annex 2: Extending the winding-up period – Options analysis

OPTION	PROS	CONS
<p><b>Option 1: No change</b></p>	<ul style="list-style-type: none"> <li>• No increase in costs relating to winding-up payment, staff salaries, rent and running costs during the period.</li> <li>• LOOP would be paid to those eligible only two months after the election (assuming the Board agree the change which was consulted on).</li> </ul>	<ul style="list-style-type: none"> <li>• Would be seen by Admin Committee as disregarding its recommendation.</li> <li>• Contrary to the vast majority of consultation responses.</li> </ul>
<p><b>Option 2: Extend winding-up period to three or four months</b></p>	<ul style="list-style-type: none"> <li>• Responds to Admin Committee and consultation responses about the need for a more realistic amount of time to close down affairs. Also reflects internal data about the difficulty of completing tasks within a shorter timeframe.</li> <li>• Could help in the long run if MPs find it easier to negotiate a break clause with their landlords (needs further exploration).</li> <li>• Goes some way address the criticism that former MPs and staff are required to ‘work for free’ after the winding-up period while tasks are still outstanding (though to note, if offices/accommodation are not vacated until the end of the period, there will inevitably be the need to complete tasks after that).</li> <li>• Could be an opportunity to introduce a new rule eliminating PILON payments beyond the winding-up period; the maximum notice period for any staff member is 12 weeks (so in theory PILON should never be needed if winding-up period is 12 weeks or more). After the 2019 election, we estimated that £694,700 (78.6%) of the £892,500 in PILON payments could have been avoided if earlier notice had been given to staff.</li> </ul>	<ul style="list-style-type: none"> <li>• If the winding-up payment is increased to match the extended period, this would significantly increase the cost of these payments by 50-100%. For a four-month period the winding-up payment would be around £16,700, with an estimated total cost (based on an assumed turnover of 235 MPs) of around £3.9 million.</li> <li>• Allowing staff to remain employed and leases to run for longer would come with higher cost (although as mentioned a new rule could eliminate PILON beyond the period).</li> <li>• Staff members could be kept in employment when there is no work for them to do, for similar reasons as former MPs have delayed giving notice in the past.</li> <li>• LOOP would be paid three or four months after the election, rather than two (but this would be mitigated by a larger winding-up payment). To note, this would still be a shorter wait on average than after the last election.</li> <li>• Without limiting the normal 90-day period for claims, this could have the effect of drawing out the whole process even more (although to note, the next election will take place under very different circumstances for IPSA so we’ll be in a better place to monitor and support completion of tasks).</li> </ul>

<p><b>Option 3: Extend winding-up period to three months, plus one month 'closing down' period</b></p>	<ul style="list-style-type: none"> <li>• Same as Option 2.</li> <li>• Additional running costs would be less than a full four-month period, particularly if MPs are required to vacate their offices and accommodation at the end of the first three months.</li> <li>• MP could retain one staff member for a further month to help with final closing down tasks, which would address the previous challenge of losing experienced staff before winding up is complete.</li> <li>• Should go even further to remove the need that a former MP or staff member should have to 'work for free', particularly if required to vacate offices and accommodation after the first three months.</li> <li>• Staff who don't have any work to do would leave employment a bit sooner.</li> </ul>	<ul style="list-style-type: none"> <li>• Same as with Option 2.</li> <li>• Potentially more confusing for customers and more complicated to administer than a 'straight' extension.</li> </ul>
<p><b>Option 4: Extend winding-up period to two months, plus two months 'closing down' period</b></p>	<ul style="list-style-type: none"> <li>• Same as Option 3.</li> <li>• Costs are potentially lower than Option 3, if MPs are required to vacate their offices and accommodation after two months.</li> </ul>	<ul style="list-style-type: none"> <li>• Same as with Option 3.</li> <li>• It may be more difficult to introduce a rule limiting PILON payments if most staff end employment after two months.</li> </ul>