CHAPTER 49.

An Act to provide for the making, in certain cases, of grants to, and to the widows and to the children of, persons who have been members of the House of Commons; and for purposes connected with the matter aforesaid.

[28th July 1939.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

The House of Commons Members' Fund.

1.—(1) For the purpose of enabling grants to be made to persons who have been members of the House of Commons or to their widows or in respect of their orphan children, there shall be established a fund, to be called the House of Commons Members' Fund (hereafter in this Act referred to as "the fund"), which shall be administered by the trustees thereof.

(2) Subject to the provisions of the First Schedule to this Act, the trustees may cause to be made out of the fund such periodical or other payments to or in respect of such persons, being persons who have after the passing of this Act been members of the House of Commons or the widows or orphan children of such persons, as the trustees may, having regard to the financial circumstances of the persons to or in respect of whom the

payments are made, and to the resources and commitments of the fund, in their discretion direct.

(3) There shall be deducted from each payment of the salary of a member of the House of Commons payable in respect of any period after the thirtieth day of September nineteen hundred and thirty-nine a sum calculated at the rate of twelve pounds per annum and the sum so deducted shall be paid into the fund.

References in this section to the salary of a member shall be construed as including references to so much of any salary or pension payable under the Ministers of the Crown Act, 1937, or payable otherwise to any person (not being a person to whom a salary is payable under that Act) as a Minister of the Crown, as an Officer of the House of Commons or as an Officer of His Majesty's Household, as is payable in respect of any period during which the person to whom the salary or pension is payable is a member of the House of Commons; and the requirement in this subsection that a deduction shall be made from each payment of the salary of a member shall, in relation to a person to whom the salary of a member is payable but who does not draw any of it, be construed as a requirement that, on each occasion when a payment thereof would have been made if he had drawn it, a sum equal to the deduction which would have been made shall be set aside, and any sum so set aside shall be dealt with as if it were a sum so deducted.

1 Edw. 8 & 1 Geo. 6. c. 38.

(4) The salary of a member shall not be treated for any of the purposes of the Income Tax Acts as reduced by reason of the provisions of this section or of deductions made pursuant thereto, and a member shall not be entitled to any allowance, deduction or relief, under any provision of those Acts by reason of such deductions, nor shall his income be regarded as thereby diminished.

(5) The trustees of the fund shall be entitled to exemption from income tax in respect of all income derived from the fund or any investment thereof, and any claim to exemption under this subsection shall be made, and any such claim shall be allowed, in the same manner as in the case of the exemption allowed under subsection (5) of section thirty-nine of the Income Tax Act, 1918.

8 & 9 Geo. 5. c. 40.

Trustees of the fund.

2.—(1) There shall be trustees of the fund who, subject to the provisions of this section, shall be appointed and may be removed by order of the House of Commons.

(2) The said trustees shall be not more than seven in number, of whom one, being the Public Trustee or a corporation entitled by rules made under subsection (3) of section four of the Public Trustee Act, 1906, to act as custodian trustee, shall be custodian trustee of the fund, and the remainder shall be managing trustees.

6 Edw. 7. c. 55.

(3) No person shall be appointed to be a managing trustee unless he is a member of the House of Commons, and, on ceasing to be a member of the House of Commons, a managing trustee shall vacate his office.

(4) The managing trustees may act by a majority of those present at any meeting of the managing trustees at which a quorum is present.

(5) The procedure of the trustees shall, subject to the provisions of this Act, be such as the trustees may determine, and the quorum for any meeting of the managing trustees shall be three.

(6) A direction of the managing trustees shall continue in force until revoked by a subsequent direction of the managing trustees, notwithstanding any changes in the persons who are managing trustees and notwithstanding that, by reason of a dissolution of Parliament or for any other reason, there are for a time no managing trustees.

(7) The provisions set out in the Second Schedule to this Act (being certain provisions of subsection (2) of section four of the Public Trustee Act, 1906, as modified for the purposes of this Act) shall have effect with respect to the functions of the custodian trustee and the managing trustees respectively.

Supplementary provisions.

3.—(1) The provisions of the Third Schedule to this Act shall have effect with respect to the investment of the assets of the fund.

(2) The trustees may accept any property given, devised or bequeathed to the fund by any person who is or has been a member of the House of Commons, but they shall as soon as may be realise any such property, other than money or securities in which they are authorised to invest the assets of the fund.

(3) The custodian trustee may charge such fees as he is authorised to charge under the Public Trustee Act, 1906.

(4) The trustees may employ such officers and servants, if any, as they think necessary in connection with the management of the fund, and the expenses of the management of the fund, including the fees of the custodian trustee and the remuneration of any such officers and servants as aforesaid, shall be defrayed out of the fund.

(5) The Government Actuary shall from time to time, as requested by the trustees, make a report to the trustees on the general financial position of the fund on a date specified in the report, and every such report shall be laid before the House of Commons.

The date so specified shall, in the case of the first report, be not later than the end of the year nineteen hundred and forty-four, and in the case of subsequent reports, not later than five years after that specified in the last preceding report.

(6) Accounts of the trustees shall be prepared annually in such form and in such manner as the Comptroller and Auditor-General may direct, and the Comptroller and Auditor-General shall examine and certify every such account and shall lay a copy thereof, together with his report thereon, before the House of Commons.

(7) So far as is consistent with the due performance of their respective functions under this Act, the trustees of the fund, the Government Actuary, the Comptroller and Auditor-General and their respective officers and servants shall treat as confidential all information relating to the making or refusal of grants in particular cases; and in particular, but without prejudice to the generality of the foregoing provision, there shall not be included in any accounts or report laid before the House of Commons under the last preceding subsection any identification of the persons to whom grants have been made.

Short title.

4. This Act may be cited as the House of Commons Members' Fund Act, 1939.

SCHEDULES.

FIRST SCHEDULE.

LIMITATIONS ON PAYMENTS OUT OF THE FUND. Section 1.

1. The annual amount of any periodical payment made to any person by virtue of his past membership of the House of Commons shall not exceed one hundred and fifty pounds or such sum as, in the opinion of the trustees, will bring his income up to two hundred and twenty-five pounds per annum, whichever is the less.

2. The annual amount of any periodical payment made to any person by virtue of her being the widow of a past member of the House of Commons shall not exceed seventy-five pounds or such sum as, in the opinion of the trustees, will bring her income up to one hundred and twenty-five pounds per annum, whichever is the less.

3. No payment shall be made to any person by virtue of his past membership of the House of Commons unless he has attained the age of sixty years or, in the opinion of the trustees, is, by reason of mental or bodily infirmity, incapable of earning his living.

4. No payment shall be made in respect of any child of a past member of the House of Commons whilst either of the child's parents is living, or after the child has attained the age of sixteen years, and the annual amount of any periodical payment made in respect of an orphan child of a past member, or of his orphan children taken together if more than one, shall not exceed seventy-five pounds.

5. No payment shall be made to any person unless the person by virtue of whose membership of the House of Commons the payment is to be made was a member of the House of Commons for periods together amounting to ten years :

Provided that the trustees may in special circumstances make payments notwithstanding that the requirements of this paragraph are not complied with.

6. For the purposes of this Schedule, the income of any person shall be ascertained in such manner and on such principles as the trustees may determine.

SECOND SCHEDULE.

Section 2.

CERTAIN PROVISIONS OF SUBSECTION (2) OF SECTION FOUR OF THE PUBLIC TRUSTEE ACT, 1906, AS MODIFIED FOR THE PURPOSES OF THIS ACT.

1. All sums payable to or out of the income or capital of the fund shall be paid to or by the custodian trustee, and the assets of the fund shall be vested in him as if he were sole trustee.

2. The management of the fund and the exercise of any power or discretion exercisable in relation thereto shall be vested in the managing trustees.

3. As between the custodian trustee and the managing trustees, the custodian trustee shall have the custody of all securities and documents of title relating to the property of the fund but the managing trustees shall have free access thereto and be entitled to take copies thereof or extracts therefrom.

4. The custodian trustee shall concur in and perform all acts necessary to enable the trustees to exercise their powers of management or any other power or discretion vested in them, unless the matter in which he is requested to concur is a breach of trust or involves a personal liability upon him in respect of calls or otherwise, but unless he so concurs the custodian trustee shall not be liable for any act or default on the part of the managing trustees or any of them.

5. The custodian trustee, if he acts in good faith, shall not be liable for accepting as correct and acting upon the faith of any statement of the managing trustees as to any matter of fact, nor for acting upon any legal advice obtained by the managing trustees independently of the custodian trustee, nor for acting in accordance with any directions given to him in writing and purporting to be signed by or on behalf of the managing trustees.

THIRD SCHEDULE.

Section 3.

POWERS OF INVESTMENT.

So much of the assets of the fund as is available for investment may be invested in such securities as the trustees think fit, being either—

(*a*) securities in which a trustee may invest trust moneys under the powers conferred by section one of the

Trustee Act, 1925, as extended by any subsequent enactment; or

3RD SCH. —*cont.*

15 & 16 Geo. 5. c. 19.

(*b*) the stocks, funds, bonds, mortgages or debentures of any public body incorporated in the United Kingdom by or under any Act of Parliament or of the Parliament of Northern Ireland; or

(*c*) the bonds, mortgages, debentures, or debenture or rent-charge stock of any railway, gas, electric light or power company in the United Kingdom; or

(*d*) the preference stock or preference shares of any such gas, electric light or power company which has paid a dividend on its ordinary stock or shares at a rate of not less than three per cent. during each of the five years immediately preceding the date of the investment,

and the trustees may from time to time realise, convert or otherwise deal with any such securities:

Provided that the proviso to subsection (1) of section two of the Trustee Act, 1925 (which restricts the purchase by trustees of securities standing at a premium) shall not apply.

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SIR WILLIAM RICHARD CODLING, C.B., C.V.O., C.B.E., the King's Printer of Acts of Parliament