EXPLANATORY MEMORANDUM TO THE

PARLIAMENTARY PENSIONS (AMENDMENT) REGULATIONS 2004

2004 No. 2416

1. This explanatory memorandum has been prepared by the Cabinet Office and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 This instrument amends the Parliamentary Pension Scheme. It makes pensionable with effect from 26th November 2003 the additional salary paid to those Members of the House of Commons who serve as Chairmen of qualifying select committees. It also amends the provisions governing entitlement to a guaranteed minimum pension, qualifying service for early retirement and the indemnity provided to trustees of the Fund.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Background

4.1 The Parliamentary and other Pensions Act 1987 ("the Act") provides for the existence of the Parliamentary Contributory Pension Fund. The Act confers powers on the Leader of the House of Commons to make provision for pensions payable from the Fund for Members of the House of Commons, Ministers and other office holders. Such provision has been made via the Parliamentary Pensions (Consolidation and Amendment) Regulations 1993, as amended from time to time (referred to, for ease, as the Parliamentary Pension Scheme).

4.2 The Leader of the House of Commons, in exercise of the powers conferred by section 2(1) and (4) of the Act, is now making further amendments to the Parliamentary Pension Scheme, with the consent of the Minister for the Civil Service.

4.3 As required by section 2(7) of the Act, the Leader of the House of Commons has consulted with the trustees of the Fund and persons appearing to the Leader to represent persons likely to be affected, that is the Chair of the Parliamentary Labour Party, the Chair of the 1922 Committee, the shadow Leader of the House, the Chair of the Parliamentary Liberal Democrat Party, and the Scottish National Party (for consultation with the other minority parties). They have raised no concerns.

5. Extent

5.1 This instrument applies to all of the United Kingdom.

6. Policy background

6.1 This instrument provides for that part of the salary of a Member of the House of Commons, if any, which is attributable to service as one of the qualifying select committees to be pensionable with effect from 26th November 2003. The qualifying select committees are: select committees appointed under Standing Order no. 152 (select committees related to government departments); the Environmental Audit Committee; the European Scrutiny Committee; the Committee of Public Accounts; the Select Committee on Public Administration; the Regulatory Reform Committee; the Joint Committee on Human Rights; and the Joint Committee on Statutory Instruments.

6.2 It also amends the provisions governing entitlement to a guaranteed minimum pension to bring them fully into line with the provisions of the Pension Schemes Act 1993; amends the provisions relating to the qualifying period for early retirement so that service as a Member of the European Parliament, the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly will also qualify, while ensuring that concurrent membership of more than one Parliament will qualify only once; and widens the scope of the indemnity provided to the trustees and former trustees of the Fund.

7. Impact

7.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

7.2 The impact on the public sector is that an Exchequer contribution of 24 per cent of the additional salary paid to those Members of the House of Commons who serve as Chairmen of qualifying select committees is payable to the Fund.

8. Contact

Peter Spain at the Cabinet Office Tel: 01256 846428 or e-mail: peter.spain@cabinet-office.x.gsi.gov.uk can answer any queries regarding the instrument.