



Factsheet M5 Members Series

Revised November 2004

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Members' pay, pensions and allowances

Members of Parliament have not always been paid. It was only in 1911 that they first received a regular salary, although some form of Payment can be traced back to the 13th Century.

From April 2004 the annual salary of a Member of Parliament has been **£57,485**. This factsheet looks at how this has varied over time and how it is determined. It also looks at Members' pension arrangements and the allowances that they are entitled to.

Details of ministerial salaries are available in **Factsheet M6**.

This factsheet is available on the internet at:
<http://www.parliament.uk/factsheets>

Introduction

This Factsheet looks at the rates of pay, pension and allowances for Members of Parliament. It takes each of them in turn, looking at the current rates and also changes to the system that have occurred over time. Members' salaries are increased annually by an agreed formula which is based on senior civil service pay bands and subject to review every five years. Members of Parliament also belong to the parliamentary pension scheme, a final salary scheme that was first introduced in 1965. In addition to salary and pension arrangements, Members also receive a number of allowances including a staffing allowance, travel and car allowances, additional costs allowance and London supplement allowance.

Members' pay

Current rates

The annual salary for Members of Parliament for 2004/05 is £57,485. A full list of salaries since 1911 is given in Appendix A. The following table summarises the current levels of allowances that Members are entitled to:

Summary of current rates with effect from 1 April 2004	
Members' parliamentary salary	£57,485
Allowances	
Staffing Allowance	Maximum of £66,458-£77,534
Incidental Expenses Allowance (IEP)	Maximum of £19,325
IT equipment (centrally provided)	[worth circa £3,000]
Pension provision for Members' staff	10% of employee's gross salary
London Supplement	£1,618
Additional Costs Allowance	Maximum of £20,902
Winding up Allowance	One third of the sum of the staffing provision and the IEP
Car Mileage (per mile)	57.7p (higher) 26.6p (lower)
Bicycle allowance (per mile)	20p
Motorcycle allowance	24p

Changes in pay

Every five years the Senior Salaries Review Body (SSRB) conducts a review of parliamentary pay, allowances and pensions. The latest reports were published in March 2001.¹ The 2001 SSRB report recommended that salaries should continue to be increased by the formula that had been used since 1997. This formula increases the annual rate of pay for Members of Parliament by the average of the increases in mid-points of the Senior Civil Service pay bands. In addition, the SSRB recommended that the basic salary should be increased by a further £2,000 in both 2001/02 and 2002/03. These increases were debated and agreed to by the House on 5 July 2001.²

Dual mandate Members

Members of Parliament who are also members of devolved parliaments and assemblies or the European Parliament are known as dual mandate Members. They receive a full parliamentary salary but a reduced salary of one-third of the full rate in respect of their membership of the other assembly. Their reduced rates are currently:

Northern Ireland Assembly - £10,606
Scottish Parliament - £16,766
National Assembly for Wales - £14,142
European Parliament - £19,162

There are currently two MPs also in the European Parliament. There are 12 MPs who are also Members of the Northern Ireland Assembly. (The Northern Ireland Assembly has been suspended since 14th October 2002; dual mandate MPs receive one-third of 70% of the normal salary of an Assembly member during suspension).

Pay for Select Committee Chairmen

On 14 May 2002, during a debate on a Modernisation Select Committee report³ on the select committee system, the House approved a motion that the Senior Salaries Review Body (SSRB) should be invited to consider additional pay for chairmen of certain select committees. In its report, the (SSRB) recommended that an extra payment of £12,500 per annum should be made to chairmen of departmental committees, and to the chairmen of some 'cross-departmental' committees such as Environmental Audit; European Scrutiny; Human Rights; Public Accounts; Public Administration; Deregulation and Regulatory Reform and Statutory Instruments.⁴

The recommendations of the SSRB report were considered by the House during a debate on 30 October 2003⁵. The House agreed a motion in the name of the Leader of the House that from the beginning of the new session of Parliament 2003-04 (26 November 2003), a salary of £12,500 per annum would be paid to the chairmen of the following committees; those appointed under Standing Order No. 152 (select committees related to government departments), Environmental Audit, European Scrutiny, Public Accounts, Public Administration, Regulatory Reform, Joint Committee on Human Rights and the Joint Committee on Statutory

¹ Review of Parliamentary Pay and Allowances, Cm 4997, March 2001
(<http://www.ome.uk.com/downloads/volume1.pdf>)

² HC Deb 5 July 2001 c421

³ Select Committees, HC 224-I 2001/02, February 2002

⁴ Pay for Select Committee Chairmen in the House of Commons, Cm 5673, July 2003

⁵ HC Deb 30 October 2003 c448

Instruments. Payment of the additional salary for Members who were already chairman of a relevant committee began on 26 November 2003. For Members appointed at a later date, the salary is payable from the day on which they become chairman of the particular select committee. Payment ends on the day on which a Member ceases to be chairman of a committee. The salary will be increased annually from 1 April 2004 in accordance with the formula used to update the annual pay rate for Members of Parliament.

History of Members' pay

From the 13th Century

Payment of Members of Parliament can be traced back as far as the 13th century, when the shires and boroughs allowed their representatives certain wages for attending Parliament; knights received four shillings a day, and citizens and burgesses two shillings a day for the duration of the Parliament. These rates were first prescribed in 1322, and remained in force throughout the Middle Ages, although there were local variations above and below the set rates. For example, in 1296 the two Aldermen representing the city of London were paid ten shillings a day and in 1463, the Borough of Weymouth paid its burgesses with a wage of five hundred mackerel. The Bristol Members' wages were adjusted from time to time for inflation: in 1518 they earned 2s 0d a day, in 1567, 3s 4d, in 1571, 4s 0d and in the 17th century, 6s 8d. In addition they were paid travelling expenses. Andrew Marvell (the poet) was reputedly the last person to receive a parliamentary salary - paid by the Borough of Kingston upon Hull until his death in 1678 - but as late as 1681 Thomas King presented a Petition stating the Borough of Harwich had not paid him his wages.

In general, the payment of Members by their own electors had ceased by the end of the 17th century. Samuel Pepys' diary entry for 30 March 1668 remarks:

"At dinner ... all concluded that the bane of the Parliament hath been the leaving off the old custom of the places allowing wages to those that served them in Parliament, by which they chose men that understood their business and would attend it, and they could expect an account from, which now they cannot."

In the 18th and for much of the early 19th century, a seat in the House of Commons could lead to lucrative offices and pensions and many were prepared to pay large sums for a seat.

A salary for Members of Parliament

The system was brought into question in 1780, when a Committee appointed by the Westminster electors, with Charles James Fox as Chairman, recommended the payment of Members. Their Report was adopted by the influential Society for Constitutional Information. A Reform Bill of 1830, and the People's Charter of 1838, also proposed that Members of Parliament should be paid. In the later 19th century payment of Members was taken up by reforming organisations like the National Democratic League and the Metropolitan Radical Federation. It also, in the first decade of the 20th century, became an aim of the Labour Party; it had been advocated by Keir Hardie as early as 1887.

Motions or Bills supporting such a proposal were brought before the House of Commons in 1870, 1888, 1892, 1893, 1895, and 1903. However MPs remained unpaid until 1911, when, after a vote in the House was passed by 265 votes to 173, they became entitled to draw £400 per annum from public funds. In part, it was Labour pressure which persuaded the

Liberal Government to make the change. This pressure was exerted in particular after the Osborne Judgement of 1909, which had declared the Trade Union levy to pay for the support of Labour MPs illegal. The then Chancellor of the Exchequer, Lloyd George, summarised the arguments in favour:

"When we offer £400 a year as payment of Members of Parliament it is not a recognition of the magnitude of the service, it is not a remuneration, it is not a recompense, it is not even a salary. It is just an allowance, and I think the minimum allowance, to enable men to come here, men who would render incalculable service to the State, and whom it is an incalculable loss to the State not to have here, but who cannot be here because their means do not allow it. It is purely an allowance to enable us to open the door to great and honourable public service to these men, for whom this country will be all the richer, all the greater, and all the stronger for the unknown vicissitudes which it has to face by having there to aid us by their counsel, by their courage, and by their resource".⁶

This £400 was increased at irregular intervals (and reduced, in 1931; see Appendix A), but there was no regular machinery for its review. In 1963 the Government appointed an independent committee (the Lawrence Committee) to review payments to members of both Houses and to Ministers. Its recommendations for MPs' pay were accepted by the Government and agreed by the House in 1964. This change increased the basic salary by £1,500 to £3,250.

Members' pay since 1970

In 1970, the Commission for Industry and Manpower Bill provided for a special panel to report on (among other pay groups) parliamentary pay. In the Second Reading debate on 8 April 1970, Barbara Castle, the then Secretary of State for Employment and Productivity said she proposed to ask the panel for a system of automatic reviews at regular intervals, with full reviews every four years. However, these plans were overturned by the loss of the Bill because of a General Election and subsequent change of Government. On 4 December 1970 the incoming Leader of the House, William Whitelaw, announced that MPs' pay would instead be referred to an independent review body, with the final decision resting with the House.

The Top Salaries Review Body (TSRB), appointed in 1971 (originally chaired by Lord Boyle), produced its first major Report on Members' and Ministers' Pay and Pensions in 1971: since then its successors have issued further Reports at fairly regular intervals - (see Appendix 2). The Reports were not always implemented in full. The most obvious example of this came in 1975, when the TSRB recommended an increase in MPs' basic pay from £4,500 to £8,000 a year, and the Government was able to agree to no more than £5,750. Similarly, the 1979 increase, though granted in full, was staged over three years.

It had often been suggested that Members' pay should be linked to a salary in the Civil Service. For example, in 1975 the then Leader of the House, Mr Edward Short, moved a motion "That in the opinion of this House it is desirable in principle that the salaries of Members should be regulated to correspond with the amounts of the salary paid to a specified grade in the public service". This motion was amended by the House (128 votes to 127) to read "That in the opinion of this House, it is desirable in principle that the salaries of Members should be regulated to correspond with a point on the scale paid to an Assistant Secretary in the public service, not later than three months after the next General Election, and annually until that date,

⁶ HC Deb 10 August 1911 c1383

the salaries of Members should be increased by not less than the same amount of increase as these Assistant Secretaries".⁷ In this amended form, it was agreed to by 169 votes to 70, but the Government did not put the Resolution, which was only an expression of opinion, into effect.

The 1975 Top Salaries Review Body Report recommended that MPs' pay should be reviewed at two yearly intervals, but the Government did not agree. In February 1982 the report of an all-party Select Committee on Members' Salaries (HC 208 1981-82) suggested that between four-yearly reviews, MPs' pay be adjusted annually, in line with increases shown for outside earnings. The Leader of the House, Mr John Biffen, rejected this proposal, but accepted that MPs' pay should be examined by the Top Salaries Review Body in the fourth year of each Parliament, and that the MPs' annual rises would be based on those for non-industrial civil servants, teachers, doctors and dentists. However, increases would not be automatic, and Mr Biffen stressed that "in short the Government reserve the right to respond flexibly to exceptional circumstances".

In 1983 the 20th Report of the Top Salaries Review Body recommended that Members' pay should be £19,000 per annum, an increase of about 31%. However, the Government did not accept the recommendations, and instead proposed an increase of 4% in salary from 13 June 1983. The then Leader of the House said:

"The proposed increase represents a value judgement of what is an appropriate salary for a Member. We are all constrained to make a value judgement of what that figure should be. The Top Salaries Review Body Report suggests that it should pay regard to a Member being full time with no other source of income. It must also take account of the unique nature of a Member's occupation. Those factors alone, however, do not indicate a self-evident salary. We have still to make our own political judgement about an issue sensitive in its economic and social consequences."⁸

However, after a lengthy debate on 19 July the House rejected the Government proposals and instead accepted a compromise of a 5.5% increase immediately (to £15,308), with increases every 12 months over a 5-year period, bringing the Members' salary up to £18,500 in 1987. In addition, MPs decided to link their pay with rates for senior civil servants: from 1 January 1988 their salaries were to be at a yearly rate equal to 89% of the national maximum point (excluding range points as later agreed) of the Grade 6 (old Senior Principal) pay scale in the non-industrial Civil Service. This linkage was confirmed by the House on 21 July 1987, when its operation led to an increase of 21.9%. The House temporarily suspended this linkage on 25 November 1992 by voting to maintain Members' pay for 1993 at the same level as for 1992. It was re-instated on 3 November 1993 with a vote for an increase of 2.7% for the 1994 full Parliamentary salary and 2.68% for the corresponding 1995 salary.⁹ The reform of civil service pay had made the restitution of the exact link impossible.

A new formula for increasing Members' pay was debated and agreed on 3 November 1993; it confirmed that the 1995 salary level should be increased by a "relevant percentage" and that subsequent annual salary levels should be at the rate of the preceding years' salary increased by a "relevant percentage". The "relevant percentage" for any year was the percentage by which the average annual salary of Grades 5 to 7 in the Civil Service increased when compared with the

⁷ HC Deb 22 July 1995 c508

⁸ HC Deb 19 July 1983 c273

⁹ HC Deb 3 November 1993 c482

previous year.

In July 1996 the Review Body on Senior Salaries (SSRB, successor to the TSRB) recommended that Member's pay should be £43,000 per annum, an increase of about 26%. The Government proposed an increase of 3%. Following a debate on 10 July 1996, the House rejected the Government proposal and agreed to accept the SSRB recommendation. For the period 1 July 1996 to 31 March 1997 the yearly rate of £43,000 applied. In the same debate the House also agreed to the SSRB's recommended mechanism for the annual uprating of Members' salaries without the need for Parliamentary decision, namely:

"For each year starting with 1st April, from 1997 onwards, the yearly rate shall be increased by the average percentage by which the mid-points of the Senior Civil Service pay bands having effect from 1st April of that year have increased compared with the previous 1st April."¹⁰

The 1997 pay increase was intended to be staged; 2% on 1 April 1997 and the balance on 1 December 1997 (a 2.75% increase overall). Since the resolution only allowed for an adjustment to the salary on 1 April each year, the December increase was not implemented. The notional figure of £44,183, the salary calculated as if the December increase had taken place, plus the agreed formula, was used to calculate the April 1998 salary of £45,066. This formula was used until 2001/02 when the latest SSRB recommendations were implemented.

Members' pensions

Current scheme

Members of Parliament belong to the parliamentary pension scheme. This is a final salary scheme with a current accrual rate of 1/40th. It is a contributory pension with the contribution rate now set at 9% of salary.¹¹ The scheme was first introduced in 1965.

Background

A pension for MPs was first introduced in 1965. The Committee on the Remuneration of Ministers and Members of Parliament (the Lawrence Committee, Cmnd 2516) recommended that a pension scheme for MPs should be introduced. This was done by the *Ministerial Salaries and Members' Pensions Act 1965*. The scheme was unusual in that both benefits and contributions were fixed in money terms.

In December 1970 the Government announced that the recently established Review Body on Top Salaries (TSRB) would undertake subsequent reviews of the arrangements for salaries, allowances and pensions of Ministers and MPs.

The first report of the TSRB (Cmnd 4836) recommended a restructured pension scheme with pension related to "final salary", accruing at 1/60th for each year of service. The scheme was to be extended to include Ministers and certain other office holders who wished to participate. The new scheme was established under the terms of the *Parliamentary and Other Pensions Act 1972*. Subsequent reviews resulted in amending Acts in 1976, 1978 and 1981.

¹⁰ HC Deb 10 July 1996 c533

¹¹ Although existing Members of the scheme before July 2002 have the option to keep an accrual rate of 1/50th with contributions of 6%

The next major change resulted from the 20th Report of the TSRB (Cmnd 8881) which recommended an accrual rate of 1/50th, with effect from 20 July 1983. The contribution payable by Members was increased to 9% of salary. These changes and other minor matters were given legal force by the *Parliamentary Pensions etc. Act 1984*. The 31st Report of the TSRB, (Cm 1576), approved by Parliament on 18 July 1991, then recommended that the contribution payable by Members be reduced to 6% of salary; this took effect from 1 April 1992.

Pressure for a single consolidation document had grown throughout this period, and resulted in the *Parliamentary and Other Pensions Act 1987*. This Act meant that the detailed arrangements could be set out in regulations. This led to the *Parliamentary Pensions (Consolidation and Amendment) Regulations 1993* (SI 1993/3253) and the *Parliamentary Pensions (Additional Voluntary Contributions Scheme) Regulations 1993* (SI 1993/3252), which came into force on 21 January 1994. The AVC Scheme enables Members to purchase additional pension benefits within the limits determined by the Inland Revenue. Other regulations affecting the scheme have been laid. A comprehensive listing of all the scheme's primary and secondary legislation can be found in Halsbury's Statutes.

Recent changes

The latest SSRB report on the parliamentary pension scheme was published in March 2001.¹² It included 8 main recommendations. The Leader of the House tabled a motion for debate on 5 July 2001 which included four of the recommendations of the SSRB. These included the increase of death-in-service benefit from three to four times annual salary and that non-concurrent service in devolved assemblies should count towards the qualifying period of an early retirement pension. This motion was agreed and the trustees of the scheme were invited to consider how to implement the remaining recommendations.

The House also approved an amendment from John Butterfill MP to increase the accrual rate of pension from 1/50th to 1/40th of salary. The Government did not accept that the cost of this should fall on the Treasury and it referred the cost of this measure back to the SSRB and invited their advice on how it should be funded.¹³ The SSRB estimated that this faster accrual rate would cost the equivalent of 5.1% of pay and recommended that to fund this increase in the short-term an additional 3% contribution should be taken from Members' salaries, taking the total contribution rate to 9%. It also recommended that cost of the remaining 2.1% would remain with the Exchequer in the short term but that this additional Exchequer contribution should be taken into account in future reviews of Members' salaries so that eventually the full cost of the increased accrual rate would be borne by MPs. The Government Actuary has calculated the current net cost of the pension accrual rate improvement as 4.6% of pay, lower than the initial estimate of 5.1% of pay as not all Members have opted for the higher accrual rate.¹⁴

The Government introduced a Statutory Instrument¹⁵ on 15 July 2002 to bring most of these proposals into force. Existing Members of the scheme were given the option to remain on the 1/50th accrual rate with 6% contribution. There remain two outstanding proposals following the SSRB

¹² Review of the Parliamentary Pension Scheme, Cm 4997, March 2001 (<http://www.ome.uk.com/downloads/pension.pdf>)

¹³ HC Deb 7 May 2002 c74W

¹⁴ Parliamentary Contributory Pension Fund Valuation Report, HC 445 2002/03, March 2003

¹⁵ *Parliamentary Pensions (amendment) Regulations 2002*, SI 2002/1807

report. These are whether survivor benefits should be extended to unmarried spouses and whether survivor benefits should continue if a spouse remarries. Again, the Government did not want the cost of these changes to fall on the taxpayer and invited the trustees of the pension scheme to consider how these proposals could be implemented at no cost to the taxpayer. The Government had not had time to consider its view on the trustees' response by the time the Statutory Instrument was laid. Rt Hon Robin Cook MP, then Leader of the House, said that proposals would be brought forward and would be backdated to July 2002. At the time of writing these issues remained outstanding.

Members' allowances

Members are now entitled to a range of allowances to cover expenditure on staff and other items. This has not always been the case. This section looks briefly at the allowances that Members had previously been paid before concentrating on the allowances currently available.

The Lawrence Report

At the time of the Lawrence Committee Report in 1964, there were only a limited number of allowances available to MPs. These consisted of various facilities in kind, such as free telephone calls from the House within the London area; the use of a limited number of rooms where Members and Members' private secretaries might do their secretarial and typing work; free postage for correspondence with Government Departments, nationalised industries and officials of the House, and free copies of Parliamentary and certain other official publications. There were also certain travel allowances including a car mileage allowance covering the cost of motor fuel and a railway season ticket for Members travelling from their homes to the House. Since then, the number and variety of allowances available to Members has been increased.

Prior to the review of Members' pay and allowances in March 2001, Members claimed reimbursement of expenses incurred in the performance of their Parliamentary duties for secretarial assistance, general office expenses and for the employment of research assistants in the form of the Office Costs Allowance. This allowance was formerly known as the Secretarial, Research and Office Costs Allowance.

The SSRB's report of March 2001 recommended fundamental changes to the way in which Members of Parliament are funded and reimbursed for their office expenses. The House of Commons debated and agreed the proposals on 5 July 2001. The system of allowances which these changes brought in is outlined below. In 2004 the Speaker of the House of Commons decided, on the advice of the House of Commons Commission (see Factsheet G15 'The House of Commons Administration'), that details of the allowances claimed by individual Members would be made available on the Parliamentary website. Figures for the allowances claimed by each Member for each year since 2001-02 can be found at:

http://www.parliament.uk/site_information/allowances.cfm

Staffing Costs Allowance

A Staffing Costs Allowance was introduced in June 2001 to replace the Office Costs Allowance. The Office Costs Allowance was abolished after a transitional period ending on 31 March 2003. Members who served in the previous parliament were able to retain their entitlement to OCA until 1 April 2003.

Under the Staffing Costs Allowance, salaries of staff employed by Members to help them in their

parliamentary duties are paid centrally by the House Authorities, together with pension contributions equivalent to 10% of each employee's salary.

All MPs' staff should be employed on agreed pay scales, linked to job descriptions and standard contracts prepared by the Department of Finance and Administration. Members may employ up to the equivalent of three full-time staff.

For 2004/05 Members for London constituencies have a maximum staffing allowance of **£77,534**. For other Members the basic maximum allowance is **£66,458** but Members who employ staff wholly or mainly in London can receive some increase in this up to the London maximum. These maximums are increased annually according to movements in pay for similar jobs outside the House of Commons. The increase for 2004/05 was 3.7%. The Operations Directorate will set ceilings for individual Members at the start of year.

Incidental Expenses Provision

Incidental Expenses Provision (IEP) is an allowance designed to meet any other expenditure that Members may incur in the course of discharging their duties as MPs. The current maximum is **£19,325**, and it is increased annually in line with the Retail Prices Index. Examples of the sort of expenditure covered by IEP are office accommodation costs, equipment and supplies or costs related to security, disabled access or health and safety improvements.

Computer Equipment

Computer equipment is now centrally provided and maintained. A standard package of information technology equipment including printers, scanners and three PCs is available for all Members.

Temporary Assistance

The purpose of this allowance is to meet the additional costs incurred by a Member in obtaining secretarial or research assistance while an employee is absent from work due to illness or pregnancy. To qualify for payment of the allowance, a secretary or researcher for whom temporary cover is being provided must be absent from work because of pregnancy or be absent on sick leave for more than two continuous weeks and continue to receive a salary paid from the Member's allowances. The absent employee must submit supporting medical certificates or maternity forms and name a valid contract of employment specifying the periods of paid absence. The maximum entitlement will be determined by the absent employee's salary – 12 months for sickness (available for use over a four-year period) and 24 weeks salary for each maternity absence.

London Supplement

Members whose constituencies are within inner London are entitled to claim a **London Supplement**. This is paid as an addition to salary. From 1 April 2004 this has been worth £1,618.

The House resolved on 27 June 1997 that with effect from 2 May 1997, the following constituencies are "inner London constituencies":

Battersea; Bethnal Green and Bow; Camberwell and Peckham; Cities of London and Westminster; Dulwich and West Norwood; Eltham; Greenwich and Woolwich; Hackney North and Stoke Newington; Hackney South and Shoreditch; Hammersmith and Fulham; Hampstead and Highgate; Holborn and St. Pancras; Islington North; Islington South and

Finsbury; Kensington and Chelsea; Lewisham, Deptford; Lewisham East; Lewisham West; North Southwark and Bermondsey; Poplar and Canning Town; Putney; Regent's Park and Kensington North; Streatham; Tooting; Vauxhall¹⁶

Members representing outer London constituencies must choose to take either London Supplement or Additional Costs Allowance.

Additional Costs Allowance

The **Additional Costs Allowance** reimburses Members for additional expenses incurred in staying overnight away from their main home while performing Parliamentary duties. Members for inner London constituencies are not entitled to ACA as they receive London Supplement automatically. Members for outer London constituencies who choose to take London Supplement are also ineligible for ACA. The maximum allowance is **£20,902** for 2004/05. The SSRB report of March 2001 made no specific recommendations on ACA but the House agreed to an amendment to increase the limit to £19,469 (an increase of 42%) during the debate on 5 July 2001. The amendment linked the ACA figure to the increase proposed by the SSRB for Lords' Overnight Allowance.

It is recognised that MPs have two places of work, Westminster and their constituency. Additional costs can be only claimed in respect of one of these places, and a Member is required to notify the Operations Directorate at the Commons of the location of his or her main residence. The additional expenses can be claimed when the Member stays overnight away from the main residence. For example, a provincial Member with a home registered in his or her constituency would be entitled to additional expenses incurred in staying away from home overnight for the purpose of carrying out parliamentary duties either in London, or within the constituency, if he or she would otherwise be involved in an "unreasonably" lengthy journey home.

Previously, under Resolutions of 20 December 1971, Ministers and paid Office Holders were deemed to have their main homes in London; if these Ministers did not have an official residence, they were entitled to London Supplement and could not claim Additional Costs Allowance. This has now changed and Ministers can claim for overnight stays in London if they spend more nights in their constituency home than in any other.

Travel allowances

In 1984 an independent inquiry was set up under Lord Peyton of Yeovil to look at how MPs were reimbursed the cost of their motor mileage. It was recommended that MPs should be reimbursed by a payment per mile, appropriate to the engine size of the car, based on the RAC schedule of motoring costs, and subject to an upper limit. A higher rate should be payable for the first 20,000 miles per annum, a lower rate for mileage beyond that.

The report also recommended that when a Member claimed for mileage in excess of 25,000, he or she should be required to provide details of all journeys covered by the claims.

The Government accepted the report's findings and they were approved by Resolution of the House on 20 July 1984. On 3 November 1993 the House amended the earlier Resolution to allow for a 2.3% increase from 1 April 1994 in each of the allowance rates.

On 10 July 1996 the House decided by resolution that with effect from 1 April 1997, **car mileage**

¹⁶ HC Deb 27 June 1997 c1130

allowance should be payable to Members at the higher rate of 47.2 pence per mile and the lower rate of 21.7 pence irrespective of engine capacity increased by the percentage (if any) by which the Retail Prices Index (RPI) has increased over the March 1996 index. Increases in subsequent years were to be linked to the retail prices index (RPI) for March. The higher rate is for the first 20,000 miles. The current rates (April 2004) are **57.7p** per mile up to 20,000 miles and **26.6p** per mile thereafter.

Following a request by the Leader of the House, the SSRB examined and proposed a **Bicycle Allowance** as set out in its January 1998 report. A Resolution of 20 March 1998 introduced the allowance for Members in respect of journeys that they have undertaken by bicycle while on Parliamentary duties in the UK. The Resolution set the rate at 6.2p per mile, to be updated by the RPI from 1 April each year. The rate from 1 April 2003 is 20p per mile.

In addition, Members are currently provided with **travel warrants** that may be exchanged for an appropriate ticket, for journeys by rail, sea or air on Parliamentary business. These cover journeys within the same triangle of home, constituency and Westminster as the car mileage allowance. Costs of journeys outside this triangle, on Parliamentary business, may also be reimbursed if the Member notifies the Operations Directorate at least three days in advance - the three day rule may be waived in exceptional circumstances. Members may also use parking spaces, for which no charge is made, in the Parliamentary car park.

Special travel warrants are available for use by the spouse, and children under the age of 18, of a Member between London and the constituency and/or London and home by rail, air or sea. This concession was extended to include Members' children on 10 June 1982, where previously it applied to Members' spouses only. Each child may make up to nineteen return journeys during the period between 1st January 2004 and 31st March 2005 and the same limit applies to spouses.

Under the terms of a Resolution of the House dated 6 December 1991, Members were entitled to be reimbursed for travel costs incurred on Parliamentary duties between the United Kingdom and certain European Community institutions. A Member was allowed one visit a calendar year. This Resolution was rescinded on 26 May 1999, when the House decided that provision should be made as from 1 April 1999 for reimbursing Members for the cost of travelling on Parliamentary duties between the United Kingdom and any European Union institution in Brussels, Luxembourg or Strasbourg or the national parliament of another European Union member state. The scheme was limited in that it should not exceed the aggregate of the cost of a return business class airfare from a London airport to one of the designated destinations and twice the corresponding civil service class A standard subsistence rate in operation. Additionally, a new resolution passed on 9 May 2002 provides that, from **1 April 2002**, Members can now claim the cost of travelling on parliamentary duties to European Union candidate countries. The new resolution also increased the number of visits to three. A Member must submit a statement to the Operations Directorate in advance about the purpose of the visit including the location and duration and the persons or organisations to be met.

Stationery, postage & telephone calls

Members are currently entitled to free stationery, free inland telephone and postal services from Westminster.

General Services Budget

Central funding by way of a General Services Budget was introduced as part of the changes in 2001. It provides for relevant training of Members and their staff, appropriate insurance provision, exceptional expenses incurred by Members who have constituencies with particular problems and reasonable adjustments to working conditions and equipment of Members with particular needs.

Before 2001, Members with specific disabilities received additional allowances expressed in multiples of the OCA. Additional provision was made by a resolution of the House. Examples are given below:

On 16 December 1987 the House decided to increase the allowance given to Rt Hon David Blunkett MP by 50% of the basic allowance, to take into account the increased difficulties he faces in being a visually impaired Member. This was increased to 2.57 times the basic amount on 14 July 1988, a figure which was subsequently renewed on 14 July 1992, on 13 July 1994, and again on 10 July 1996.

On 26 November 1998 the House decided to increase the allowance given to Miss Anne Begg MP to 1.55 times the basic amount of both the Office Costs Allowance and the Additional Costs Allowance. Previously, on 20 March 1998, the House had decided to increase the allowance paid to Miss Begg to 1.33 times the basic amount for both the Office Costs Allowance and the Additional Costs Allowance. The House also agreed on this date that the limit on Members' staff travel for Miss Begg should be 34 return journeys in the 12 months beginning 1 January 1998.

The 2001 SSRB report recommended that the House find an alternative means of providing additional help for members with disabilities in order to protect individual Members' privacy. The resolution agreed by the House on 5 July 2001 incorporated such allowances into the new General Services Budget:

Members with disabilities

(9) When provision is made in respect of any Members in accordance with the provisions of paragraph (4)(d) of this Resolution, any Resolution of this House entitling that Member to claim a multiple of the Office Costs Allowance shall cease to have effect.

And

General Services Budget

(4) ...

(d) reasonable adjustments to the working conditions and equipment of Members with particular needs because of disability, and for necessary additional continuing costs.

Winding-Up Allowance and Resettlement Grant

An allowance of up to one third of the annual Office Costs Allowance was paid for the reimbursement of the cost of any work on Parliamentary business undertaken on behalf of a deceased, defeated or retiring Member after the date of cessation of Membership. On 5 July 2001 the House agreed to change the allowance to one third of the sum of the staffing provision and Incidental Expenses Allowance in force at the time of cessation of Membership.

A **Resettlement Grant** to assist with the costs of adjusting to "non-parliamentary life", is payable to any person who ceases to be an MP at a General Election. The amount is based on age and length of service, and varies between 50% and 100% of the annual salary payable to a Member of Parliament at the time of the Dissolution.

Appendix A

Member's Pay since 1911 (a)

Date	Salary
August 1911	400
October 1931	360
July 1934	380
July 1935	400
June 1937	600
April 1946	1 000
May 1954 (b)	1,250
July 1957	1,750
October 1964	3,250
January 1972	4,500
June 1975	5,750
June 1976	6,062
June 1977	6,270
June 1978	6,897
June 1979	9,450
June 1980	11,750
June 1981	13,950
June 1982	14,910
June 1983	15,308
1 Jan 1984	16,106
1 Jan 1985	16,904
1 Jan 1986	17,702
1 Jan 1987	18,500
1 Jan 1988	22,548
1 Jan 1989	24,107
1 Jan 1990	26,701
1 Jan 1991	28,970
1 Jan 1992	30,854
1 Jan 1993	30,854
1 Jan 1994	31,687
1 Jan 1995	33,189
1 Jan 1996	34,085
1 July 1996	43,000
1 April 1997	43,860
1 April 1998	45,066
1 April 1999	47,008
1 April 2000	48,371
1 April 2001	49,822
20 June 2001	51,822
1 April 2002	55,118
1 April 2003	56,358
1 April 2004	57,485

(a) Staged increases are not shown in this table.

(b) Including sessional allowance. From May 1954 to July 1957 an allowance of £2 for each day the House sat (except Fridays) was paid to Members. The figure here is based on the average number of sitting days in that period

Appendix B

Staffing Allowance since its introduction in June 2001

Date	Minimum	Maximum
Jun 2001	60,000	70,000
Apr 2002	61,980	72,310
Apr 2003	64,304	74,985
Apr 2004	66,458	77,534

Maximum Office Cost Allowance since its introduction in October 1969

Oct 1969	500	Apr 1988	22,588
Jan 1972	1,000	Apr 1989	24,903
Aug 1974	1,750	Apr 1990	27,166
Jun 1975	3,200	Apr 1991	28,986
Jun 1976	3,512	Apr 1992	39,960
Jun 1977	3,687	Apr 1993	40,380
Jun 1978	4,200	Apr 1994	41,308
Jun 1979	4,600	Apr 1995	42,754
Feb 1980	6,750	Apr 1996 (b)	43,908
Aug 1980	8,000	Apr 1996 (c)	46,364
Jun 1981	8,480	Apr 1997	47,568
Jun 1982	8,820	Apr 1998	49,232
Jul 1983	11,364	Apr 1999	50,264
Apr 1984 (a)	12,437	Apr 2000	51,572
Apr 1985	13,211	Apr 2001	52,760
Apr 1986	20,140	Jun 2001	52,760
Apr 1987	21,302	Apr 2002 (d)	53,446

(a) On 20 July 1984 the House decided by resolution that the allowance be updated from 1 April each year by the increase in the maximum point of the pay scale (excluding allowances and overtime) for a senior personal secretary in the Civil Service in receipt of Inner London weighting. However, on 16 July 1986 the House decided to reject the Government recommendation of a 6% increase in Secretarial/Research Allowances, and instead voted for an amendment which raised the base figure for allowances in 1986-87 by over 40%. On 21 July 1987 the allowance became known as the Office Costs Allowance. The allowance is revised from 1 April each year, though the actual amount cannot generally be calculated until late April. On 25 July 1991, the Leader of the House, Rt Hon John MacGregor, asked the Top Salaries Review Body to undertake a review of the whole subject of the Office Costs Allowances. The TSRB reported in July 1992, following which the Government recommended an increase in the OCA of just over £4,000, to be assessed on a quarterly basis in the future. On 14 July 1992, however, the House rejected this and voted instead in favour of an increase of 38%, also to be assessed quarterly. On 13 July 1994, the House voted for a 2.3% increase in the allowance limit effective from 1 April 1994.

(b) As first paid

(c) Increased following a resolution

(d) Office Cost Allowance was abolished in April 2003. Members who served in the previous Parliament could opt to retain their OCA entitlement until then or transfer to the Staffing Allowance as set out below.

Appendix C

Top Salaries Review Body Reports dealing with Parliamentary remuneration

1971	1 st Report	Cmnd 4836
1972	2 nd Report	Cmnd 5001
1974	5 th Report	Cmnd 5701
1975	7 th Report	Cmnd 6136
1976	8 th Report	Cmnd 6574
1977	9 th Report	Cmnd 6749
1979	12 th Report	Cmnd 7598
1980	13 th Report	Cmnd 7825
1980	15 th Report	Cmnd 7953
1981	17 th Report	Cmnd 8244
1983	20 th Report	Cmnd 8881
1985	22 nd Report	Cmnd 9525
1987	24 th Report	Cm 131
1988	26 th Report	Cm 362
1991	31 st Report	Cm 1576
1992	32 nd Report	Cm 1943

Review Body on Senior Salaries

1996	38 th Report	Cm 3330
1997	39 th Report	Cm 3540
1998	40 th Report	Cm 3837
1999	41 st Report	Cm 4245
2000	45 th Report	Cm 4567
2001	47 th Report	Cm 4996
2001	48 th Report	Cm 4997

Further reading

Peter Alfred Taylor MP
Payment of Members
1870

Sydney Baxton MP
Political Questions of the Day
1892

(contains a résumé of then current arguments
for and against payment of MPs)

Report of the Committee on the Remuneration
of Ministers and Members of Parliament
Chairman: Sir G Lawrence
1964
Cmnd 2516

Select Committee Report on Members' Salaries
1982
HC 208

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Factsheet M5

Members' pay, pensions and allowances

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