



In Focus

House of Commons Members' Fund Bill HL Bill 102 of 2015–16

Key Provisions

The [House of Commons Members' Fund Bill](#) is a private member's bill introduced in the House of Commons by Sir Paul Beresford (Conservative MP for Mole Valley) under the ten minute rule. The Bill would update legislation governing the functions of the House of Commons Members' Fund. The Fund was originally set up in 1939 to provide for discretionary grants to be made by the trustees of the Fund to ex-Members of Parliament who had attained 60 years of age and who had served as MPs for 10 years or more, their widow/ers and orphan children under 16.¹ Subsequent legislation extended the scope of the Fund to authorise the trustees to make grants in cases of special hardship; make discretionary payments; and extended the definition of widow and widowers to include surviving civil partners.²

The Bill was introduced as the House of Commons (Administration) Bill on 4 November 2015. Following a number of amendments made during committee stage in the House of Commons, including to the title, the Bill received its third reading in that House on 4 March 2016. The renamed Bill received its first reading in the House of Lords on 7 March 2016. The Bill is currently awaiting second reading.

The Explanatory Notes to the Bill, as introduced in the House of Commons, provide the following overview:

This Bill seeks to simplify and clarify existing legislation relating to the House of Commons Members Fund (HCMF) which is outdated, incomprehensible and rigid. It will streamline administration and reduce costs. The purpose of the Fund has been largely superseded by the introduction of Members' pensions. The new legislation will reflect the changed and smaller demands on the Fund as the number of its clients dwindles. The Bill will enable flexibility in how the Fund is provisioned, reflecting changes in demands upon it. It will allow the initial repayment of a surplus accumulated due to the existing unsatisfactory arrangements. It will enable Trustees to suspend automatic deductions from Members' pay and suspend the Treasury contribution when these are not needed.³

During the Bill's third reading in the House of Commons, Sir Paul Beresford explained that, following amendment at committee stage, the Bill would remove the requirement for the Treasury to make contributions to the Fund; enable the removal of the requirement that current MPs make contributions to the fund; and widen the class of beneficiaries.⁴ It would also permit the acceptance of bequests; allow the trustees to make arrangements under which a commercial institution would undertake the commitments and/or liabilities of the fund; and remove the requirement for trustees to be current MPs.⁵

Speaking on behalf of the Government during that debate, the Minister for Civil Society, Rob Wilson, stated that the Government supported the Bill. Speaking on behalf of the Opposition, the Parliamentary Private Secretary to the Shadow Leader of the House, Neil Coyle, stated that Opposition Members recognised the “potential of the Bill to move things forward”.⁶

Background

The most recent HCMF accounts provide the following legislative background information on the Fund:

The Members’ Fund was set up by the House of Commons Members’ Fund Act 1939 as amended by subsequent Acts of 1948, 1957, 1962, the House of Commons Members’ Fund and Parliamentary Pensions Act 1981, the Parliamentary Pensions etc Act 1984 and the Ministerial and Other Pensions and Salaries Act 1991. The Fund is not a pension fund and was initially set up to provide for discretionary grants to be made by the trustees to ex-Members of Parliament who have attained 60 years of age and who have had 10 years service as Members, their widow/ers and orphan children under 16. Such grants are subject to certain maximum income limits.

Under the 1948 Act, as amended by the 1984 Act, provision existed for the trustees to authorise grants in cases of special hardship. The 1991 Act widened the scope of the section to allow the managing trustees to make discretionary payments as the trustees considered appropriate having regard to the circumstances of the person or persons to whom payments are to be made.

The 1981 Act extended the scope of the Fund. It enabled payments to be made by the trustees to ex-Members (who left the House before 16 October 1964) who meet certain criteria and to their widow/ers. The trustees may, following advice from the Government Actuary and if they consider it appropriate to do so in special circumstances, make payments where these criteria are not strictly met, by using their discretionary powers under the 1991 Act.

The Civil Partnership (House of Commons Members’ Fund) Order 2005 was passed by the House on 1 December 2005, extending the definition of widow and widowers to include the surviving civil partner.⁷

Further Information

- House of Commons Library, [House of Commons Members’ Fund](#), 29 February 2016

¹ National Audit Office, [House of Commons Members’ Fund Account 2012–13](#), 28 April 2014, HC 1232 of 2013–14, p 2.

² *ibid.*

³ House of Commons Department of Finance, [House of Commons \(Administration\) Bill: Explanatory Notes](#), 4 November 2015, p 1.

⁴ [HC Hansard](#), 4 March 2016, col 1222.

⁵ [HC Hansard](#), 4 March 2016, cols 1222–3.

⁶ [HC Hansard](#), 4 March 2016, col 1227.

⁷ National Audit Office, [House of Commons Members’ Fund Account 2012–13](#), 28 April 2014, HC 1232 of 2013–14, p 2.

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