

# Parliamentary Pay and Allowances: The Current Rates

Research Paper 95/83

4 July 1995



This paper sets out the current rates and formulae for a range of parliamentary salaries and allowances to which Members, peers, MEPs and ministers are entitled. It does **not** seek to provide a comprehensive guide to each salary/allowance nor does it deal with pensions. Members should note that some amounts may be calculated during, or even after, a relevant period of entitlement, and therefore not all amounts contained in this Paper may be final for particular periods. Members who wish advice and information on the calculation of or arrangements relating to any item of salary or allowance should consult the Fees Office handbook, *Parliamentary salaries, allowances and pensions* (2nd ed, 1992) or contact the Fees Office itself (see section 7A of the *Members' Handbook*). This edition replaces Research Paper 95/61 of 17 May 1995, to take account of revised rates of allowances for MEPs.

The information in this paper sets out levels (or maximum levels) of salary and allowance **in general terms**. It cannot and should not be used as the basis for a calculation of the level of salary and/or allowances any particular Member may actually be receiving at any time.

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## Introduction

This paper is intended to provide a quick checklist of the current rates of the major parliamentary and related salaries and allowances, together with references to the appropriate formulae for their calculation for present and future years, and to relevant parliamentary proceedings.

Background briefing on the history and development of MPs' pay; the office costs allowance, and finance for Opposition parties is provided in the following Research Papers:

- (i) *Members' pay*, Research Paper 93/98, 2.11.93
- (ii) *Members' office costs allowance*, Background Paper 306, 19.11.92
- (iii) *'Short Money': financial assistance to Opposition parties*, Research Paper 93/99, 3.11.93

The Fees Office provide details of pay and allowances for Members in its publication, *Parliamentary salaries, allowances and pensions*, 2nd ed, 1992, and by notices to Members, such as that of July 1994.

## 1. Members' Pay

1.1.94 - 31.12.94: £31,687

**1.1.95 - 31.12.95: £33,189** (ie £32,538 as set out in para (2)(a) of the 3.11.93 formula, increased by 2%)

Subsequent years: Previous year's salary + "relevant percentage"

*Relevant percentage:*

- (c) the relevant percentage for any year ("the relevant year") is the percentage by which, as a result of any pay settlement in the preceding year and any stage taking effect in that year of an earlier pay settlement, the average annual salary (disregarding allowances) on 1st January in the relevant year of the persons covered by the 1992 Pay Agreement for Grades 5 to 7 has increased compared with that average on 1st January in the preceding year.

[para (4)(c) of resolution]

*Formula debated & agreed as set out below:* 3.11.93 [HC Deb vol 231 cc455-482] by 286-42:

That the following provision should be made with respect to the salaries of Members of this House-

- (1) In respect of service in 1994-
  - (a) the salary of an ordinary Member shall be at a yearly rate of £31,687; and
  - (b) the salary of a salaried Member shall be at a yearly rate of £23,854.
- (2) In respect of service in 1995-
  - (a) the salary of an ordinary Member shall be at a yearly rate equal to the sum of £32,538 but increased by the relevant percentage for that year; and
  - (b) the salary of a salaried Member shall be at a yearly rate equal to the sum of £24,495 but increased by the relevant percentage for that year.
- (3) In respect of service in any subsequent year -
  - (a) the salary of an ordinary Member shall be at a yearly rate equal to the salary of an ordinary Member for the preceding year but increased by the relevant percentage for that subsequent year; and
  - (b) the salary of a salaried Member shall be at a yearly rate equal to the salary of a salaried Member for the preceding year but increased by the relevant percentage for that subsequent year.
- (4) For the purposes of this Resolution-

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- (a) an ordinary Member is a Member of this House other than a salaried Member;
- (b) a salaried Member is an Officer of this House or any Member of this House receiving a salary under the Ministerial and other Salaries Act 1975 or a pension under section 26 of the Parliamentary and other Pensions Act 1972; and
- (c) the relevant percentage for any year ("relevant year") is the percentage by which, as a result of any pay settlement in the preceding year and any stage taking effect in that year of an earlier pay settlement, the average annual salary (disregarding allowances) on 1st January in the relevant year of the persons covered by the 1992 Pay Agreement for Grades 5 to 7 has increased compared with that average on 1st January in the preceding year.

Mr Newton, Leader of the House, explained the effect of the new formula:

The motions provide that, in January 1994, the full parliamentary salary should be increased from £30,854 to £31,687, and the reduced parliamentary salary from £23,227 to £23,854, both representing an increase of 2.7 per cent. They further propose that, in January 1995, the full parliamentary salary should be increased to £32,538, and the reduced parliamentary salary to £24,495 - in both cases an increase of 2.68 per cent on the 1994 salary - together with an amount reflecting the pay settlement for civil service grades 5 to 7 in the forthcoming year. Thus automatic linkage with civil service pay increases would be re-established in January 1995, after a two-year break. The same automatic linkage would then apply in each year thereafter, without the need for further resolution of the House.

[cc456-7]

For the effect on the 1995 salary see Mr Newton's remarks cited in the section on Ministers' pay (p.4).

*Application:* 'ordinary Members' ie "a Member of this House other than a salaried Member" (para (4)(a) of resolution).

## 2. Reduced Parliamentary Salary for Ministers etc

1.1.94 - 31.12.94:     £23,854

**1.1.95 - 31.12.95:**     **£24,985** (ie £24,495 as set out in para (2)(b) of the 3.11.93 formula, increased by 2%).

Subsequent years: Previous year's salary + "relevant percentage"

*Relevant percentage:* as above for Members' pay [para 4(c) of resolution set out above]

*Formula debated & agreed:* 3.11.93 as for Members' pay [HC Deb vol 231 cc455-482]

*Application:*

- b) a salaried Member is an Officer of this House or any Member of this House receiving a salary under the Ministerial and other Salaries Act 1975 or a pension under section 26 of the Parliamentary and other Pensions Act 1972; and

[para (4)(b) of resolution]

ie Ministers, Leader of the Opposition, Opposition Chief Whip, Opposition Deputy Whip (ie "Assistant Opposition Whip"), Madam Speaker: **Ministerial and other Salaries Act 1975, as amended**; Chairman and Deputy Chairman of Ways and Means - by HofC Commission; Sir Edward Heath, as a former Prime Minister, by **s.26, Parliamentary and Other Pensions Act 1972**.

### 3. Ministers' Pay

Salary, excluding reduced Parliamentary salary, where applicable:

<i>Ministers salaries</i>			
	<i>Current salary</i>	<i>2nd stage of 1994 settlement wef 1 January 1995</i>	<i>Total inc. 2 per cent. 1995 settlement wef 1 January 1995</i>
<i>Commons Ministers etc.</i>			
Prime Minister	54,438	55,900	57,018
Cabinet Minister	40,895	41,994	42,834
Minister of State	28,936	29,713	30,307
Parliamentary Under Secretary	21,961	22,551	23,002
Attorney General	43,456	44,624	45,516
Solicitor General	35,632	36,589	37,321
Government Chief Whip	34,037	34,951	35,650
Government Deputy Chief Whip	28,936	29,713	30,307
Government Whips	18,620	19,120	19,502
Assistant Government Whips	18,620	19,120	19,502
Leader of the Opposition	37,495	38,502	39,272
Opposition Chief Whip	28,936	29,713	30,307
Assistant Opposition Whip	18,620	19,120	19,502
Speaker	42,909	44,062	44,943
Chairman of Ways and Means	28,936	29,713	30,307
First Deputy Chairman of Ways and Means	25,431	26,114	26,636
Second Deputy Chairman Ways and Means	25,431	26,114	26,636
<i>Lords Ministers etc.</i>			
Cabinet Minister	52,260	53,999	55,329
Minister of State	46,333	47,751	48,835
Parliamentary Under Secretary	38,894	40,124	41,065
Lord Advocate	52,340	54,079	55,409
Government Chief Whip	46,333	47,751	48,835
Government Deputy Chief Whip	38,894	40,124	41,065
Government Whips	35,099	36,239	37,111
Leader of the Opposition	38,894	40,124	41,065
Opposition Chief Whip	35,099	36,239	37,111
Chairman of Committees	46,333	47,751	48,835
Principal Deputy Chairman of Committees	42,354	43,772	44,856

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<i>Minister in neither house</i>			
Solicitor General (Scotland)	45,539	46,762	47,697
<i>Parliamentary salaries</i>			
Member of Parliament	31,687	32,538	33,189
Reduced parliamentary salary	23,854	24,495	24,985

The Speaker is entitled to draw the salary shown in this table, under the Ministerial and other Salaries Order, but has opted to take a lower salary equal to that of a Cabinet Minister in the House of Commons.

The Lord Chancellor's salary is set separately by Section 3 of the Ministerial and other Pensions and Salaries Act 1991.

[HL Deb vol 250 cc309-10, 24.11.94]

Applied by **Ministerial and other Salaries Act 1975**, as amended by the **Ministerial and other Salaries Order 1994** SI 1994/3206 (draft order approved by House of Commons on 24 November 1994, HC Deb vol 250 cc806-828, on a division 179-13, and by the House of Lords, HL Deb vol 559 cc796-8, 5.12.94, no division).

Mr Newton explained the basis of the 1995 increase and the link to the formula for Members' pay during the Commons debate:

The resolution passed in November 1993 to establish those arrangements, which is what will lead to the Members' pay increase of 4.7 per cent. in January 1995, could not in itself provide for Ministers pay as well: that has required this order. The primary legislation does not allow it to be dealt with in that way. It requires this order. I said at the time, and I quote from the *Official Report*, leaving out only a few words for the sake of clarity:

"I should make it clear to the House that the Government think that the right course henceforth is for the salaries of Ministers . . . to be dealt with on exactly the same basis as Members". -[*Official Report*, 3 November 1993; Vol. 231, c. 459].

The proposal on linkage between Members and civil servants and between Ministers and Members and, therefore, Ministers and civil servants was neither queried nor opposed. It was, I think, regarded as entirely sensible by the great majority of people present or who thought about it. I am grateful to have that confirmed by the hon. Member for Dewsbury (Mrs. Taylor) and the hon. Member for Birmingham, Perry Barr (Mr. Rooker) from the Opposition Front Bench. As I have already said, the order now before the House simply implements what I said a year ago.

The points that I was about to come to are also the key points in respect of Members' pay. The key points are the same for both Ministers' and Members' pay because they have been tied together. There are four points. The pay settlement for January 1995 is 2 per cent., reflecting what was agreed for civil servants from August 1994. The other 2.7 per cent. is a delayed payment - some of it delayed from as long ago as January 1993, two years ago, as it were - reflecting earlier civil service settlements.

[cc806-8 (extracts)]

The next two points are perhaps the key points for the hon. Member for Bolsover (Mr. Skinner). Over the three years involved, the pay of Members of Parliament and Ministers has been restrained to exactly the same extent as that of civil servants, but - I come to the crunch in relation to the hon. Gentleman's point - because their payments have been delayed, in part by up to two years, Members of Parliament and Ministers have lost, permanently, some £2,000 and £4,000 respectively by comparison with their civil service links. That is a permanent loss. It is not something that has been made up. It is money that has gone for good. The rates are going back to what they would have been by comparison with the civil service, but there has been a substantial, actual, financial loss along the way. That cannot be described as a catching-up process, as the hon. Member for Bolsover has described it.

The arrangements for those in the other place are, however, slightly different, because they do not receive a reduced parliamentary salary as those of us in the Commons do. They will receive an increase equivalent to the aggregate cash increase received by their Commons counterparts.

#### 4. Members' Office Costs Allowance ('OCA')

Maximum allowance:

1.4.94 - 31.3.95: £41,308

**1.4.95 - 31.3.96: £42,754**

1.4.96 and subsequent years: previous year's limit + 'March RPI'%

*March RPI%:*

(b) for any quarter in any subsequent year, should be the amount obtained by increasing the limit for a quarter in the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.

(5) The references in paragraph (1)(b) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

[paras (1)(b) and (5) of part A of resolution, set out below. 'Year' means 1 April - 31 March, and 'quarter' means three-month periods beginning with 1 April, 1 July, 1 October and 1 January: para (4) of Part A of the resolution.]

*Formula debated and agreed:* 13.7.94 [HC Deb vol 246 cc1105-1114], no division:

*Part A. Office costs allowance*

- (1) the limit on the office costs allowance -
  - (a) for any quarter in the year beginning with 1st April 1994, should be the amount obtained by increasing the limit for a quarter in the immediately preceding year by 2.3 per cent; and
  - (b) for any quarter in any subsequent year, should be the amount obtained by increasing the limit for a quarter in the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.
- (2) The limit on the office costs allowance in relation to Mr. David Blunkett should be 2.57 times that determined in accordance with paragraph (1) of this Part of this Resolution.
- (3) Any limit determined in accordance with this Part of this Resolution should be calculated to the nearest pound.
- (4) In this Part of this Resolution-
  - "quarter" means a period of three months beginning with 1st April, 1st July, 1st October, or 1st January;
  - "year" means a period of twelve months beginning with 1st April.
- (5) The references in paragraph (1)(b) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

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Mr Newton, Leader of the House, explained the basis of the formula during the 13 July 1994 debate:

I will deal first briefly with the four existing allowances, uprating mechanisms that have failed. The main one is, of course, the office costs allowance. That was formerly increased with effect from each April by reference to the pay of senior secretaries in the civil service. However, in the same way as the move to new civil service pay arrangements broke the old automatic linkage for Members' pay, which we replaced last year, so this one too is breaking down and needs to be replaced.

The additional costs allowance, to help with the problem of Members needing accommodation in two locations, was formerly uprated in August by reference to civil service overnight subsistence rates. With greater delegation to individual Departments, that too has ceased to be viable.

The position in regard to its near relation, the London supplement is a little more complicated. Essentially, however, it is that it used to be linked to the inner London weighting paid to civil servants. That is being replaced by a recruitment and retention allowance paid at the discretion of individual Departments - which, once again, makes it unusable as an uprating mechanism.

Lastly, the motor mileage allowance used to be tied, in a very specific and detailed way, to a schedule of motoring costs which is no longer available in a form which can be operated within the terms of the underlying resolution of the House. Here too, therefore, we need a new uprating mechanism.

Against that background we spent some time considering the possibility of devising what might be called fancy new mechanisms which could be presented as in some way cleverly and specifically related to each of those different purposes. We concluded that all of them would be vulnerable to endless argument and probably in due course once again be overtaken by change comparable with what has caused the present problem.

We therefore decided that far and away the simplest, most straightforward and most sensible solution was to link them all to the retail prices index. That also has what I, and I suspect the House, regard as the inestimable advantage of being the most durable solution - that is, the one most likely to remain workable on an automatic basis, and thus to avoid the need for the House to have to keep passing new resolutions.

That is what the first four parts of this resolution do: they provide for all four allowances to be uprated with effect from April 1994 by reference to the RPI. and henceforth to be uprated with effect from each succeeding April by reference to the RPI.

The only reason for the slight variation in the actual percentage increases from April 1994 is that we have also taken the opportunity to make another sensible simplification, which is to end the variations of uprating date and to put everything on to an April to March basis.

Thus, the office costs and motor mileage allowances rise by 2.3 per cent, which is the RPI increase from April 1993 to April 1994. The London supplement rises by 1.9 per cent, which represents 1.5 per cent due from January 1994 in respect of an earlier increase in the civil service inner London weighting, plus 0.4 per cent for the RPI increase in the three months from January. The additional costs allowance rises by a little more—2.8 per cent—but only, I emphasise, because that relates not to 12 months but to a 20-month period since its last uprating in August 1992.

[cc1107-9]

## 5. Supplementary London Allowance ('London Supplement')

(Payable to members for Inner London seats and certain others to reflect higher costs in London)

1.4.94 - 31.3.95:      £1,245 pa

**1.4.95 - 31.3.96:      £1,289 pa**

*Subsequent years:*      previous year's rate + 'March RPI'%

*March RPI%:*

(c) for any subsequent year, should be the amount obtained by increasing the rate for the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.

(4) The references in paragraph (1)(c) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

[paras (1)(c) and (4) of Part B of resolution set out below. 'Year' means 1 April - 31 March: para (3) of Part B of the resolution]

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*Formula debated and agreed:* 13.7.94 [HC Deb vol 246 cc1105-1114], no division:

### *Part B. Supplementary London allowance*

- (1) The annual rate of the supplementary London allowance -
  - (a) for the period of three months beginning with 1st January 1994, should be the amount obtained by increasing the annual rate at which the allowance was paid immediately before that period by 1.5 per cent;
  - (b) for the year beginning with 1st April 1994, should be the amount obtained by increasing the annual rate determined in accordance with sub-paragraph (a) of this paragraph by 0.4 per cent; and
  - (c) for any subsequent year, should be the amount obtained by increasing the rate for the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.
- (2) Any rate determined in accordance with this part of this Resolution should be calculated to the nearest pound.
- (3) In this Part of this Resolution -
  - "the supplementary London allowance" means the allowance payable in accordance with paragraph (1) of the Resolution of 20th December 1971 relating to Parliamentary expenses;
  - "year" means a period of twelve months beginning with 1st April.
- (4) The references in paragraph (1)(c) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

See Mr Newton's explanation of the basis of the formula as set out in his remarks during the 13 July 1994 debate cited on pages 6 and 7.

## **6. Additional Costs Allowance**

(Reimbursement of expenses incurred in staying overnight away from home)

Maximum allowance:

1.4.94 - 31.3.95:      £11,268

**1.4.95 - 31.3.96:      £11,661**

Subsequent years:      previous year's limit + 'March RPI'%

*March RPI%:*

(c) for any subsequent year, should be the amount obtained by increasing the limit for the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.

(5) The references in paragraph (1)(c) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

[paras (1)(c) and (5) of part C of resolution, set out below. 'Year' means 1 April - 31 March: para (4) of Part C of the resolution]

*Formula debated & agreed:* 13.7.94 [HC Deb vol 246 cc1105-1114], no division]:

*Part C. Additional costs allowance*

- (1) The annual limit on the additional costs allowance -
  - (a) for the year beginning with 1st April 1993, should, be the amount obtained by increasing the relevant limit by 1 per cent;
  - (b) for the year beginning with 1st April 1994, should be the amount obtained by increasing the annual limited determined in accordance with sub-paragraph (a) of this paragraph by 1.81 per cent; and
  - (c) for any subsequent year, should be the amount obtained by increasing the limit for the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.
- (2) For the purposes of paragraph (1)(a) of this part of this Resolution the relevant limit is the amount equal to 144 times the Class A(i) London rate for a night's subsistence which took effect in the Civil Service on 1st August 1992.
- (3) Any limit determined in accordance with this Part of this Resolution should be calculated to the nearest pound.
- (4) In this Part of this Resolution -
  - "the additional costs allowance" means the allowance payable in accordance with paragraph (2) of the Resolution of 20th December 1971 relating to Parliamentary expenses:
  - "year" means a period of twelve months beginning with 1st April.
- (5) The references in paragraph (1)(c) of this Part of this Resolution to the retail prices index are references to the general index of retail prices ( for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure in place of that index.

See Mr Newton's explanation of the basis of the formula as set out in his remarks during 13 July 1994 debate, cited on pages 6 and 7.

## 7. Car Mileage Allowance

1.4.95 - 31.3.96:

<u>Engine ratings</u>	<u>Journeys not exceeding 20,000 miles per annum</u>	<u>Journeys in excess of 20,000 miles per annum</u>
up to 1300 cc	30.5 pence per mile	15.9 pence per mile
1301-2300 cc	46.0 pence per mile	21.1 pence per mile
over 2300 cc	72.2 pence per mile	36.1 pence per mile

[Fees Office note, May 1995]

Subsequent years: previous year's rates + 'March RPI'%

*March RPI%*:

(b) in relation to journeys commenced in any subsequent year, as if the rates per mile shown in the Table were the rates obtained by increasing each of the rates for the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices for the previous March

(4) The references in paragraph (1)(b) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

[paras (1)(b) and (4) of Part D of resolution, set out below. 'Year' means 1 April - 31 March: para (3) of Part D of the resolution]

*Formula debated and agreed:* 13.7.94 [HC Deb vol 246 cc1105-1114], no division:

### *Part D. Car mileage allowance*

(1) Paragraph (1) of the Resolution of 20th July 1984 relating to the car mileage allowance should have effect -

(a) in relation to journeys commenced in the year beginning with 1st April 1994, as if the rates per mile shown in the Table were the rates obtained by increasing each of the rates at which the allowance was previously paid by 2.3 per cent; and

(b) in relation to journeys commenced in any subsequent year, as if the rates per mile shown in the Table were the rates obtained by increasing each of the rates for the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.

(2) Any rate per mile determined in accordance with this Part of this Resolution should be calculated to the nearest tenth of a penny.

(3) In this Part of this Resolution "year" means a period of twelve months beginning with 1st April.

(4) The references in paragraph (1)(b) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

See Mr Newton's explanation of the basis of the formula as set out in his remarks during the 13 July 1994 debate, cited on pages 6 and 7.

## 8. Winding Up Allowance

(To enable parliamentary and constituency business to be completed)

Limit for person ceasing to be a Member during year:

1.4.94 - 31.3.95: £13,769

**1.4.95 - 31.3.96: £14,251.33**

Subsequent years: that year's OCA x  $\frac{1}{3}$

*Formula debated & agreed:* 13.7.94 [HC Deb vol 246 cc1105-1114], no division:

### *Part E. Winding-up allowance*

(1) The following provisions of this Part of this Resolution should have effect with respect to Members of this House who cease to be Members after 31st March 1994.

(2) Provision should be made under arrangements approved by the Speaker for allowance to be made in respect of the expenses which, after a person has ceased to be a Member, are still required to be incurred in connection with his Parliamentary duties.

(3) The limit on that allowance should be four-thirds of the amount which, for the year in which that person ceases to be a Member, is the limit for that Member on the office costs allowance for a quarter in that year.

(4) The allowance should be paid to the person who has ceased to be a Member or, if he has died, to his personal representatives or a person nominated by him or selected under the arrangements approved by the Speaker.

(5) Any limit determined in accordance with this Part of this Resolution should be calculated to the nearest pound.

(6) In this Part of this Resolution-

"quarter" means a period of three months beginning with 1st April, 1st July, 1st October or 1st January;

"year" means a period of twelve months beginning with 1st April.

I turn now to the fifth leg of the resolution, which involves the winding-up allowance. That is the amount, currently a maximum of one sixth of the office costs allowance, which is intended to enable Members their executors where the issue unhappily arises as a result of death - to clear up their obligations after leaving the House. It has become clear that this amount is now inadequate in the light of, for example, prevailing contracts of employment with staff and the periods of notice which are often required in relation to the increasing amount of equipment that Members have.

Having taken advice from the Fees Office, I now propose that the allowance should be set at a maximum of one third

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of the annual office costs allowance, although Members will see that, for technical reasons connected with the way that the basic allowance is defined, the motion is drafted in terms of four thirds of the quarterly allowance.

In addition, the motion widens the scope of costs that can be covered from purely secretarial to all necessary costs. I emphasise, of course, that, in common with the OCA, and indeed others, the new figure is a ceiling to which legitimate costs can be claimed, and not in any way an entitlement.

Mr Newton, Leader of the House, explained the basis of the formula during his remarks in the 13 July 1994 debate [ibid, cc1109-1110].

## 9. Reimbursement of costs due to recall during a recess

*Formula debated & agreed:* 13.7.94 [HC Deb vol 246 cc1105-1114], no division:

### *Part F. Recall of House during a recess*

(1) The following provisions of this Part of this Resolution should have effect with respect to any occasion on which, during a recess, this House is recalled before the expected end of the recess.

(2) Members who attend the House during the recall should be reimbursed in respect of such extra costs which are wholly and exclusively attributable to the recall as are necessarily incurred by them in connection with travelling-

- (a) from any place to London; and
- (b) during any further recess immediately following the recall, from London to any place (provided that the purpose is to fulfil, before the expected end of that further recess, plans which were in existence before the recall).

(3) For the purposes of this part of this Resolution-

- (a) "recess" means not only a period when Parliament stands prorogued to a specified date but also any period when this House stands adjourned to a specified date, and the references to the expected end of a recess are references to that specified date;
- (b) "reimbursement", in the case of a member, means the payment to the member of the amount of the extra costs concerned and the payment to the Inland Revenue, on account of the income tax liability of the Member, of the difference between that amount and such a sum as, after deduction of tax at the marginal rate applicable to the Member, is equal to that amount; and
- (c) "extra costs", in the case of a Member means costs in respect of which the Member cannot be reimbursed otherwise than by virtue of this Part of this Resolution.

Mr Newton, Leader of the House, explained the basis of this new allowance during his remarks in the 13 July 1994 debate [ibid, cc1110].

Finally, I come to part F of the resolution, which introduces a new allowance to cover the necessary expenses of Members returning to Westminster in the event of a recall of Parliament during a recess-not, I should say, that we are planning one. [Interruption.] We are planning a recess.

As I said earlier, the present position is that Ministers faced with a recall can have their expenses covered by their Departments, but no such protection is available to other Members. The motion proposes that Members faced by a recall during a recess should be covered for all costs ..wholly and exclusively attributable to the recall",

which includes, assuming that time and plans make it reasonable, the expenses also of travelling to resume a holiday. This is not, of course, an allowance we would expect to be activated very often, but I think it a reasonable safeguard to introduce for Members who need or wish to attend the House in the event of a recall, and I hope hon. Members will agree with me.

## 10. Members' Resettlement Grant

(Assists with costs of adjusting to 'non-parliamentary life')

*Formula debated & agreed:* 22.5.91 [HC Deb vol 191 cc1033-1038], no division:

(1) A grant should be payable to any person who is a Member of this House immediately before the dissolution and at the general election consequent upon the dissolution either does not stand for election to this House or, if he does, is not elected.

(2) The amount of the grant in the case of any such person should be equal to the relevant percentage of a year's salary at the highest rate payable to Members of this House immediately before the dissolution, the relevant percentage for this purpose being that shown in the following Table in relation to—

- (a) his age at the dissolution; and
- (b) the number of years for which he has served as a Member of this House before the dissolution.

*Table  
Percentages of Yearly Salary*

Age	Number of years of service						
	Under 10	10	11	12	13	14	15 or over
Under 50	50	50	50	50	50	50	50
50	50	50	52	54	56	58	60
51	50	52	55	58	62	65	68
52	50	54	58	63	67	72	76
53	50	56	62	67	73	78	84
54	50	58	65	72	78	85	92
55 to 64	50	60	68	76	84	92	100
65	50	58	65	72	78	85	92
66	50	56	62	67	73	78	84
67	50	54	58	63	67	72	76
68	50	52	55	58	62	65	68
69	50	50	52	54	56	58	60
70 or over	50	50	50	50	50	50	50

(3) In calculating for the purposes of paragraph (2) the number of years for which a person has served as a Member of this House before the dissolution, there should be disregarded—

- (a) any fraction of a year for which he has so served; and
- (b) if a grant was payable to him under this Resolution or any of the former resettlement grant Resolutions on any previous occasion, any period of service which was taken into account or disregarded on that occasion;

and in this paragraph 'the former resettlement grant Resolutions' means the second Resolution of 20th December 1971, the fourth Resolution of 4th March 1980 and the third Resolution of 19th July 1983.

## 11. Ministers' severance payments

Generally, 3 months of annual ministerial salary:

### 4 Grants to persons ceasing to hold ministerial and other offices

- (1) Where a person who has not attained the age of sixty-five-
- (a) ceases at any time ("the material time") after the passing of this Act to hold a relevant office; and
  - (b) does not again become the holder of a relevant office within the period of three weeks beginning at the material time,

he shall be entitled to a payment under this section.

(2) Subject to subsection (3) below, the amount of the payment to which a person who has ceased to hold a relevant office is entitled under this section is an amount equal to one-quarter of the annual amount of the salary which was being paid to that person in respect of that office immediately before the material time.

(3) If that person was immediately before the material time a Member of the House of Commons the amount mentioned in subsection (2) above shall be reduced by an amount equal to one-quarter of the difference between-

- (a) the annual amount of the salary which was then being paid under a Resolution of that House to Members who are Officers of that House or receiving a salary under the Ministerial and other Salaries Act 1975 or a pension under section 26 of the Parliamentary and other Pensions Act 1972; and
- (b) the annual amount of the salary which was then being paid under that Resolution to other Members.

(4) A payment under this section shall not be made until the end of the period mentioned in subsection (1)(b) above.

(5) No payment shall be made under this section where a person has ceased to hold a relevant office on his death.

(6) In this section 'a relevant office' means-

- (a) any office, other than that of Prime Minister and First Lord of the Treasury, in respect of which a salary is payable in accordance with Schedule I to the Ministerial and other Salaries Act 1975 (ministerial salaries);
- (b) any position in respect of which a salary is payable in accordance with Schedule 2 to that Act (Opposition Leaders and Whips);
- (c) the office of Chairman of Ways and Means and any office of Deputy Chairman of Ways and Means in respect of which a salary is payable out of money provided by Parliament; and
- (d) the office of Chairman of Committees of the House of Lords and any office of Deputy Chairman of Committees of the House of Lords in respect of which a salary is payable out of such money.

(7) Where a person ceases to hold a relevant office while Parliament is dissolved subsection (3) above shall have effect as if for the words 'Immediately before the material time' there were substituted the words 'immediately before the dissolution'.

(8) Where a person ceases on a dissolution of Parliament to hold any such position as is mentioned in subsection (6)(b) above, subsection (1)(b) above shall have effect in relation to his ceasing to hold that position on the dissolution as if for the words 'three weeks' there were substituted the words 'six weeks'.

**[s.4, Ministerial and other Pensions and Salaries Act 1991, as amended]**

## 12. Former Prime Ministers' Public Duty Costs Allowance ('PDCA')

1.4.94 - 31.3.95: £41,308 (+ £4131 for office staff pension contributions)

**1.4.95 - 31.3.96: £42,754 (+£4,275 for office staff pension contributions)**

*Formula:*

### Former Prime Ministers

**Sir Anthony Durant:** To ask the Prime Minister whether he has any plans to assist former Prime Ministers with their office and secretarial expenses.

**Prime Minister:** I propose to establish, with effect from 1 April 1991, a financial allowance to help former Prime Ministers to meet the continuing additional office costs which they are liable to incur because of their special position in public life. The new allowance, which will be equivalent in amount to the parliamentary office costs allowance, will be payable in respect of office and secretarial expenses incurred in connection with their public duties. It will be paid from the Cabinet Office vote. The allowance will not be payable to a former Prime Minister occupying the position of Leader of the Opposition and therefore in receipt of "Short" money.

[HC Deb vol 188 c428W, 27.3.91]

## 13. 'Short Money': Finance for Opposition Parties

(a) maximum amounts for qualifying parties:

1.4.94 - 31.3.95: £3,442.50 per seat + (£6.89 + 'March RPI' x votes x 1/200)

**1.4.95 - 31.3.96: £3,644.92 per seat + (£7.28 x votes x 1/200)**

Subsequent years: previous year's limit + 'March RPI'

(b) aggregate maximum amount for travel expenses for qualifying parties (apportioned as for each party's allocation under (a) above):

27.4.92 - 31.3.94: £100,000

1.4.94 - 31.3.95: £102,301

**1.4.95 - 31.3.96: £105,800**

Subsequent years: previous year's total + 'March RPI'

*March RPI:*

(6) The appropriate percentage for any period is the percentage by which the retail prices index for the month of March immediately preceding that period has increased compared with the retail prices index for the previous March.

(7) The references in sub-paragraph (6) above to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office of the Chancellor of the Exchequer; and if that index is not published for a month which is relevant for the purposes of this paragraph those references in that sub-paragraph shall be construed as references to any substituted index or index figure published by that Office.

[paras (1)(6) and (7) of the resolution set out below]

*Qualifying parties:* see para (1)(1) of the resolution set out below.

*Formula debated and agreed:* 4.11.93 [HC Deb vol 231 cc593-615], by 72-15:

1.- (1) Financial assistance to assist an opposition party in carrying out its Parliamentary business shall be available under this paragraph at any time on or after 1st January 1993 if at that time one of the following conditions is satisfied with respect to the party, that is to say

- (a) there are at that time at least two Members of this House who are of the party and who were elected at the previous Election after contesting it as candidates for the party; or
- (b) there is at that time one such Member who was so elected and the aggregate of the votes cast in favour of all the party's candidates at that Election was at least 150,000.

(2) The maximum amount of financial assistance which may be given under this paragraph to any party in respect of the expenses incurred by it in any period shall be the aggregate of

- (a) the first relevant amount for that period multiplied by the number of seats won by its candidates at that Election; and
- (b) the second relevant amount for that period multiplied by one-two hundredth of the number of votes cast for its candidates at that Election (rounded down to the nearest whole number).

(3) For the period beginning with 1st January 1993 and ending with 31st March 1994

- (a) the first relevant amount shall be £4.080; and
- (b) the second relevant amount shall be £8.16.

(4) For the period of one year beginning with 1st April 1994

- (a) the first relevant amount shall be the sum of £3.442.50 but increased by the appropriate percentage for that period; and
- (b) the second relevant amount shall be the sum of £6.89 but increased by the appropriate percentage for that period.,

but if either of the resulting amounts is not a whole number of pounds and pence it shall be rounded to the nearest penny.

(5) For any subsequent period of one year beginning with 1st April

- (a) the first relevant amount shall be that amount for the previous period but increased by the appropriate percentage for the subsequent period; and
- (b) the second relevant amount shall be that amount for the previous period but increased by the appropriate percentage for the subsequent period;

but if either of the restating amounts is not a whole number of pounds and pence it shall be rounded to the nearest penny.

(6) The appropriate percentage for any period is the percentage by which the retail prices index for the month of March immediately preceding that period has increased with the retail prices index for the previous March.

(7) The references in sub-paragraph (6) above to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office of the Chancellor of the Exchequer; and if that index is not published for a month which is relevant for the purposes of this paragraph those references in that sub-paragraph shall be construed as references to any substituted index or index figure published by that Office.

(8) In consequence of this paragraph, the Resolution of 21st June 1988 shall not have effect with respect to any time after 31st December 1992.

2.- (1) Without prejudice to the generality of paragraph 1 above, financial assistance towards travelling and associated expenses necessarily incurred by an opposition party's spokesman in relation to the party's Parliamentary business shall be available under this paragraph at any time on or after 27th April 1992 if at that time one of the conditions specified in sub-paragraph (1) of paragraph I above is satisfied with respect to the party.

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(2) The maximum amount of assistance which may be given under this paragraph to any party in respect of the expenses incurred in any period than be such of the available amount for that period as may be allocated to the party in accordance with sub-paragraph (3) below.

(3) The available amount for any period shall be apportioned between each of the opposition parties in the same proportions as the maximum amount of financial assistance which may be given to each of them under paragraph 1 above for that period or for any period or any period forming part of that period; and any such apportionment shall be made to the nearest pound.

(4) Any reference in this paragraph to the available amount for a period is a reference

- (a) in the case of the period beginning with 27th April 1992 and ending with 31st March 1994, to £100,000;
- (b) in the case of the period of one year beginning with 1st April 1994, to the sum of £100,000 but increased by the appropriate percentage for that period and (if the resulting amount is not a whole number of pounds) rounded to the nearest pound; and
- (c) in the case of each subsequent period of one year beginning with 1st April, to the available amount for the previous period but increased by the appropriate percentage for the subsequent period and (if the resulting amount is not a whole number of pounds) rounded to the nearest pound.

(5) Sub-paragraphs (6) and (7) of paragraphs 1 above shall apply for the purposes of this paragraph as dry apply for the purposes of that paragraph.

3. Any claims for financial assistance under this Resolution are to be made to the Accounting Officer of the House; and a party claiming such assistance shall

- (a) furnish that Officer with a statement of the facts on which the claim is based;
- (b) certify to that Officer that the expenses in respect of which the assistance is claimed have been incurred exclusively in relation to the party's Parliamentary business; and
- (c) as soon as practicable after each 31st March following the passing of this Resolution, furnish that Officer with the certificate of an independent professional auditor to the effect that all expenses in respect of which the party claimed financial assistance during period ending with that day were incurred as mentioned in paragraph (b) above.

4.-(1) In the case of any year in which there is a General Election

- (a) the period ending immediately before the date of the Election and
- (b) the period beginning with that date,

shall be treated for the purposes of paragraphs 1(1) and (2), 2(1) to (3) and 3 above as separate periods.

(2) In relation to any such separate period

- (a) the first relevant amount and the second relevant amount for that period shall be a proportionate part (rounded to the nearest penny) of the first relevant amount and the second relevant amount for the year in question; and
- (b) the available amount for that period shall be a proportionate part (rounded to the nearest pound) of the available amount for the year in question.

(3) In relation to any such period ending immediately before the date of the Election, paragraph 3(c) above shall have effect as if the 31st March referred to were a reference to the day immediately before the date of the Election.

(4) In this paragraph "year" means a year beginning with 1st April.

5. The cost of providing financial assistance shall be borne on the House of Commons: Members' salaries etc. Vote.

Mr Newton, Leader of the House, explained the basis of the current formula during the 4 November 1993 debate:

As the House will know, the motion provides for the revision of the amounts of money paid in support of the Opposition parties-which is perhaps ironic, given the circumstances of the past two days. I am glad to see that the hon. Member for Thurrock has the grace to smile at that. This money has come to be known as Short money after the Labour Leader of the House who first instituted the payments in 1975.

The purpose of these payments is to assist Opposition parties in carrying out their essential parliamentary duties at Westminster.

At the last review In 1988, the then Lord President, now Lord Privy Seal and Leader of the House of Lords, carried out a thorough review of the workings of these funds and introduced new arrangements for, accountability. My proposals are rather less sweeping. I seek not to review further the scope or purpose of the main

Short money, but merely to update the sums paid. I think that the principle of these payments is both accepted and well established.

It has been customary to review Short money in the early part of each Parliament. The current formula was agreed in 1988 and provides that Opposition parties should receive £2,550 a year for each scat gained at a general election, and a further £5.10 for every 200 votes cast for the party. A party is, for this purpose, defined as having at least two Members of Parliament and having received at least 150,000 votes at the general election.

The proposals have three elements, which are a good deal simpler in principle than the lengthy motion would imply. They are, first, that the two elements of the formula should be uplifted by 35 per cent. to allow for inflation since the last settlement in 1988. Secondly, from 1994 onwards, Short payments should be incensed every April by reference

to the retail prices index. Thirdly - an entirely new element - a fund of £100,000 should be established for Opposition travel in connection with Front-Bench duties, to be distributed on the same basis as Short money and uprated in the same way.

On the main Short money, the Government propose an uplift of 35 per cent. to take account of inflation since the last settlement and to take effect from 1 April 1993. From 1 April 1994, therefore, taking account of the regular review proposals that I have introduced, the formula's two elements will be updated annually by reference to the retail prices index.

This reflects the view that I have held for some years - it was reflected also in my proposition to the House last night on Members' pay - that it is much more sensible to have a regular uprating mechanism for payments of this kind than to leave them for several years and then to have what looks like a large increase but actually is not so large, given what has happened in the intervening period. Whatever views people may have of these payments, I hope that it will be generally agreed that it is sensible to have a regular mechanism to keep them reasonably up to date.

The new element is the establishment of a separate fund of £100,000 for Opposition travel, to be distributed pro rata to Short money among Opposition parties. As with the main Short money, the resulting figures are maximums for expenditure incurred. In the previous Parliament the Rowntree trust, believing - it has proved, rightly - that there was a gap in our provision in this area undertook an experimental project, not using public money, in which limited grants were made in support of Opposition travel for legitimate parliamentary purposes. Approaches from the trust and discussions with Opposition leaders have convinced the Government that there is a genuine case for provision of this kind, recognising the growing need for more.

[ibid, cc595-6]

The qualifying parties' entitlements are set out in the table overleaf:

Opposition spokesmen to travel in the United Kingdom and Europe, and the need of their spokesmen on foreign affairs, defence and overseas development to travel if they are to do the job that our system expects of them - regardless of whether we always like what they say.

"The provision for annual uprating of the travel fund will be on the same basis as Short itself by reference to the RPI in April of each year. Arrangements for claiming and accounting will be in line with those already in place for Short money. The amount available for overseas travel by Select Committees is much larger than this fund, running at about £600,000 a year.

Those are the bare bones of the proposals. I shall not attempt to run through all the details of the motion, except to point to one detail that I know has given rise to some confusion. In paragraph 1(3), the motion refers to a period of 15 months from 1 January 1993 to 31 March 1994 and to amounts in the formula that do not correspond to the *percentages* that I have quoted. The figures £4,030 and £8.16 comprise 12 months at the revised rate for each figure, plus three months at the old rate. The effect is to change the start of the accounting year from 1 January to 1 April and to provide amounts for the resulting 15 month period to correspond with the proposals.

The proposals come well over a year after the start of the Parliament and are the product of extensive discussions through the usual channels. I hope that they will be welcomed by representatives of those channels as giving them properly provided support in our system for the work of Opposition parties. I also hope that the mechanism that I have suggested to the House will mean that we will not need to return to the issue in the near future. I commend the motion to the House.

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## Financial Assistance to Opposition Parties. 1.04.94 to 31.03.95.

	Seats	Value	votes	Value	Total	Travel %	Value	GRAND TOTAL
Labour	271	954372.57	11557134	57785.6700	1361178.97	76.85598699	78624.00	1439802.97
Liberal Democrats	20	70433.40	5998446	29992.2300	281577.08	15.89863264	16264.00	297841.08
S.N.P.	3	10565.01	629552	3147.7600	32719.89	1.84745687	1890.00	34609.89
Plaid Cymru	4	14086.68	156796	783.9800	19599.00	1.10661458	1132.00	20731.00
Ulster Unionist	9	31695.03	271049	1355.2450	41234.23	2.32820042	2382.00	43616.23
Democratic Unionist	3	10565.01	103039	515.1950	14190.61	0.80124169	820.00	15010.61
S.D.L.P.	4	14086.68	184445	922.2250	20577.56	1.16186682	1189.00	21766.56
Grand Total			18900461		1771077.34	100.00000000	102301.00	1873378.34

The above calculations are based on £3521.67 per seat and £7.04 per 200 votes cast.  
These figures are calculated using a 2.3% increase in the Retail Prices Index for March 1994 over March 1993.

## Financial Assistance to Opposition Parties. 1.04.95 to 31.03.96.

	Seats	Value	votes	Value	Total	Travel %	Value	GRAND TOTAL
Labour	271	987773.32	11557134	57785.6700	1408448.12	76.86115739	81301.00	1489749.12
Liberal Democrats	20	72898.40	5998446	29992.2300	291240.16	15.89341876	16828.00	308068.16
S.N.P.	3	10934.76	629552	3147.7600	33844.92	1.84696879	1956.00	35800.92
Plaid Cymru	4	14579.68	156796	783.9800	20279.92	1.10670610	1172.00	21451.92
Ulster Unionist	9	32804.28	271049	1355.2450	42668.68	2.32849480	2465.00	45133.68
Democratic Unionist	3	10934.76	103039	515.1950	14683.96	0.80132604	848.00	15531.96
S.D.L.P.	4	14579.68	184445	922.2250	21291.84	1.16192811	1230.00	22521.84
Grand Total			18900461		1832457.6	100.00000000	105800.00	1938257.60

The above calculations are based on £3644.92 per seat and £7.28 per 200 votes cast.  
These figures are calculated using a 3.3% increase in the Retail Prices Index for March 1995 over March 1994.

14. Peers' Allowances

<u>Allowance</u>	<u>Lords</u>	
	<u>Backbench Peers</u>	<u>Lords Ministers and paid office holders</u>
Subsistence	Day £32 (up to £4,800) Overnight £71.50 (up to £10,725) for every day the House sits (usually 150 days)  (wef 1 August 1994)	Lords Ministers' Night Subsistence Allowance of £15,730 for those who maintain a second home in London.  (wef 1 August 1994)
London Allowance	Not eligible	London Supplement  £1,289 (except those with an official residence or in receipt of Lords Ministers' Night Subsistence Allowance)  (wef 1 April 1995)
Travel	When House sitting, claim travel to and from House and on Parliamentary business in UK and/or  Motor mileage allowance of  46 pence per mile up to 20,000 miles 21.1 pence per mile further  (wef 1 April 1995)	(i) When House sitting, claim travel incurred on Parliamentary business in UK and/or  Motor mileage allowance of  46 pence per mile up to 20,000 miles 21.1 pence per mile further  (ii) Departments reimburse home to Westminster travel  (iii) Official car for Departmental duties  (wef 1 April 1995)
Office and Secretarial Assistance	(i) £31 per day the House sits  (wef 1 August 1994)  (ii) Active backbench Peers may claim £31 per day for up to 30 days (£930) when House not sitting  (wef 1 August 1994)	Not eligible for the £31 per day, but receive £3,769 per annum Lords Ministers and Office Holders Secretarial Allowance  (wef 1 August 1994)

[OPSS note, April 1995]

Detailed notes on allowances are contained on the reverse of the House of Lords claim form.

*Formulae debated and agreed:* 20.7.94 [HL Deb vol 557 cc235-250]. For a detailed explanation, see Viscount Ullswater's speech (cc235-238).

## **15. MEPs' Pay and Allowances**

### **(i) Pay for UK MEPs:**

1.1.94 - 31.12.94: £31,687

**1.1.95 - 31.12.95:** **£33,189** (ie £32,538 as set out in para (2)(a) of the 3.11.93 formula, increased by 2%).

Subsequent years: previous year's salary + "relevant percentage"

An MEP's salary is at the same rate as an MP's ordinary salary (see section 1 above for details of rates and formula). The salary of an MEP, who is also an MP, is **one-third** of MP's ordinary salary [s.1, **European Parliament (Pay and Pensions) Act 1979**].

### **(ii) Summary of main allowances : From 1.1.95:<sup>1</sup>**

- *general expenditure allowance:* 2926 ECU p.m. (office costs etc.)
- *flat-rate travel allowance:* 0.76 ECU per km for first 400 km and 0.38 ECU for each additional km for journeys within Community to attend EP official meetings; includes all travel expenses. For official meetings outside the Community, reimbursement of return direct air fare.
- *travel allowance:* maximum of 3000 ECU p.a. for travel throughout the world in performance of Parliamentary duties (other than official meetings; includes accommodation costs).
- *subsistence allowance:* flat-rate of 213 ECU p.d. for costs of attending meetings, within Community, of EP bodies on which claimant sits (covers all costs inc. accommodation and meals). Attendance of such meetings outwith Community territory qualifies for 106.50 ECU p.d. and actual accommodation and breakfast expenses.
- *communications allowance:* maximum of 1000 ECU p.a. for purchase, operation and maintenance of data-processing and transmission equipment, and purchase of fax machine in constituency.
- *secretarial assistance allowance:* maximum of 8000 ECU p.m.

*Note:* Exchange rate at 3.7.95: 1 ECU = 83.5p, £1 = 1.197 ECU.

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<sup>1</sup> *Source:* College of Quaestors, European Parliament

(iii) *Resettlement grant:*

**"Resettlement grants to persons ceasing to be Representatives.**

3.-(1) Where a person who is a Representative immediately before the end of any five-year period either-

- (a) did not stand for election to the European Parliament at the general election of representatives to the European Parliament held in that period; or
- (b) did so stand (whether for the same or a different constituency) at that election and was not elected,

he shall be entitled to a resettlement grant calculated in accordance with the following provisions of this section.

(2) Where a person becomes entitled to a grant under this section at the end of any five year period, its amount shall be equal to the relevant percentage of a year's salary under section I at the rate applicable to him immediately before the end of that period, the relevant percentage for this purpose being that shown in the following Table in relation to his age at the end of that period and the number of years for which he has served as a Representative before the end of that period.

TABLE  
PERCENTAGE OF YEARLY SALARY

Age	<i>Number of years of service</i>						
	Under 10	10	11	12	13	14	15 or over
Under 50	50	50	50	50	50	50	50
50	50	50	52	54	56	58	60
51	50	52	55	58	62	65	68
52	50	54	58	63	67	72	76
53	50	56	62	67	73	78	84
54	50	58	65	72	78	85	92
55 to 64	50	60	68	76	84	92	100
65	50	58	65	72	78	85	92
66	50	56	62	67	73	78	84
67	50	54	58	63	67	72	76
68	50	52	55	58	62	65	68
69	50	50	52	54	56	58	60
70 or over	50	50	50	50	50	50	50

(3) In calculating for the purposes of subsection (2) the number of years for which a person has served as a Representative before the end of the period in question, there shall be disregarded—

- (a) any fraction of a year for which he has so served; and
- (b) if he has become entitled to a grant under this section on any previous occasion, any period of service which for those purposes was on that occasion either taken into account or disregarded under paragraph (a).

(4) In this section "five-year period" means a period of five years for which Representatives have been elected to the European Parliament; but if any such period is extended or curtailed, the references in this section to the end of that period shall be construed accordingly."

[s.3, European Parliament (Pay and Pensions) Act 1979, as amended by the European Parliament (Pay and Pensions Act 1979 (Section 3(Amendment)) Order 1994, SI 1994 no 1663, 15.7.94]:

## Research Paper 95/83

This Order, made under section 3A of the European Parliament (Pay and Pensions) Act 1979, amends section 3 of that Act in order to equate the resettlement grant provision for Members of the European Parliament with that made for Members of the House of Commons pursuant to a resolution of the House of Commons dated 22nd May 1991. The effect of the amendment is that a resettlement grant is payable to all Members of the European Parliament regardless of their age, who at a general election either do not stand for election or, if they do so, are not re-elected. The amount of the grant payable varies in accordance with age and length of service.

[Explanatory note to the 1994 Order]

**Selected Bibliography**

Fees Office, *Parliamentary salaries, allowances and pensions*, 2nd ed, 1992

*Members' office costs allowance*, Background Paper 306, 19 November 1992

*Members' pay*, Research Paper 93/98, 2 November 1993

*'Short Money': financial assistance to opposition parties*, Research Paper 93/99, 3 November 1993

**Research Paper 95/83**

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