



House of Commons Members' Fund Act 2016

CHAPTER 18

Explanatory Notes have been produced to assist in the understanding of this Act and are available separately



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House of Commons Members' Fund Act 2016

2016 CHAPTER 18

An Act to consolidate and amend provisions about the House of Commons Members' Fund. [12th May 2016]

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

PART 1

HOUSE OF COMMONS MEMBERS' FUND

1 The Fund

- (1) There shall continue to be a House of Commons Members' Fund.
- (2) The purpose of the Fund is to make grants to—
 - (a) former Members of the House of Commons, and
 - (b) people who appear to the Fund's trustees to be or to have been dependents of former Members.
- (3) The Fund shall be held—
 - (a) by the trustees, or
 - (b) if they appoint one of their number as a custodian trustee, by that custodian trustee.

2 Trustees

- (1) The trustees of the Fund shall be appointed by resolution of the House of Commons.
- (2) There are to be not more than 7 trustees at any time.

- (3) The trustees must be Members of the House of Commons (subject to subsections (4) and (6)).
- (4) At any time one trustee may be a former Member of the House of Commons; and a resolution appointing a trustee under this subsection must be made –
 - (a) on a motion moved by a trustee, and
 - (b) following consultation by the trustees with persons appearing to them to be representative of former Members.
- (5) A person ceases to be a trustee upon –
 - (a) ceasing to be a Member of the House of Commons (unless appointed under subsection (4), and subject to subsection (6)), or
 - (b) removal by resolution of the House of Commons.
- (6) But where one or more persons cease to be Members of the House of Commons by reason of the dissolution of Parliament, they do not cease to be trustees by virtue of subsection (5) until a resolution of the House of Commons takes effect appointing new trustees in their place.
- (7) While a former Member is a trustee by virtue of subsection (4) or (6), grants under section 3 may not be made to the former Member or to a dependant of the former Member.
- (8) The Schedule to this Act makes provision about the powers and proceedings of the trustees.

3 Grants

- (1) The trustees may make payments out of the Fund to people listed in section 1(2).
- (2) In determining whether to make payments to a person the trustees shall have regard to –
 - (a) his or her financial circumstances, and
 - (b) the state of the Fund.
- (3) Payments may be single or periodical.

4 Levy on Members' salaries: basic amount

- (1) Amounts shall be deducted from the salaries of Members of the House of Commons in accordance with this section.
- (2) The amounts to be deducted in respect of each financial year shall be set by resolution of the House of Commons.
- (3) A resolution may express a deduction as –
 - (a) a specified sum, or
 - (b) a specified percentage of salary.
- (4) A resolution may not have the effect of requiring any Member to pay more than 0.2% of his or her salary for any financial year.
- (5) Amounts to be deducted in respect of a financial year –
 - (a) are to be deducted from Members' salaries (before payment) in equal instalments, and
 - (b) are to be paid into the Fund.

5 Levy on Members' salaries: variation and suspension

- (1) The trustees may by direction increase the amounts set by resolution under section 4 in respect of a specified financial year by the percentage applied for the purposes of Part I of the Pensions (Increase) Act 1971 in respect of that financial year.
- (2) The trustees may by direction suspend deductions under section 4 while they believe that the Fund has sufficient assets to meet demands on it.
- (3) When a suspension is lifted, deductions resume (but without adjustment to recover amounts not collected during the suspension).

6 Resolutions and directions

- (1) A resolution under section 4 may be varied, replaced or revoked by a later resolution.
- (2) A resolution under section 4 must be made on a motion moved by a person who is both a Member of the House of Commons and a trustee of the Fund.
- (3) A resolution under section 4 may relate to—
 - (a) the financial year in which it is passed,
 - (b) one or more specified future financial years,
 - (c) future financial years in general, or
 - (d) a combination.
- (4) Where a resolution under section 4 or a direction under section 5(1) takes effect in respect of the financial year during which it is passed, payments for the remainder of the year shall be adjusted so as to—
 - (a) give effect to the resolution or direction, and
 - (b) produce equal instalments for the remainder of the year.
- (5) Section 2 of the Statutory Instruments Act 1946 (numbering and printing) shall apply to resolutions under section 4.
- (6) A direction under section 5—
 - (a) may be replaced or revoked by a later resolution,
 - (b) remains in force despite changes in the trustees, and
 - (c) must be published by the trustees as soon as reasonably practicable.

7 Public money

- (1) The trustees may surrender to the Treasury amounts which in the trustees' opinion—
 - (a) are attributable to sums paid to the Fund by the Treasury (under an enactment repealed by this Act), and
 - (b) are not required in order to allow the Fund to meet present or expected future demands.
- (2) Payments under this section shall be paid into the Consolidated Fund.

8 Tax

- (1) In section 620 of the Income Tax (Earnings and Pensions) Act 2003 (meaning of "House of Commons Members' Fund" for "established by section 1 of the

House of Commons Members' Fund Act 1939 (c.49)” substitute “specified in section 1 of the House of Commons Members' Fund Act 2016”.

- (2) In section 613 of the Income and Corporation Taxes Act 1988 (parliamentary pension funds) –
- (a) in subsection (1) for “amounts deducted in pursuance of section 1 of the House of Commons Members' Fund Act 1939” substitute “amounts deducted in pursuance of section 4 of the House of Commons Members' Fund Act 2016”;
 - (b) omit subsection (2); and
 - (c) in subsection (4)(a) for “established under section 1 of the House of that Act of 1939” substitute “specified in section 1 of the 2016 Act”.

9 Repeals and transitional provision

The following enactments are repealed –

- (a) the House of Commons Members' Fund Act 1939;
- (b) the House of Commons Members' Fund Act 1948;
- (c) the House of Commons Members' Fund Act 1957;
- (d) the House of Commons Members' Fund Act 1962;
- (e) the House of Commons Members' Fund and Parliamentary Pensions Act 1981;
- (f) section 12 of the Parliamentary Pensions etc. Act 1984; and
- (g) section 7 of the Ministerial and other Pensions and Salaries Act 1991.

PART 2

TECHNICAL PROVISION

10 Commencement

This Act comes into force at the end of the period of three months beginning with the day this Act receives Royal Assent.

11 Extent

This Act extends to the United Kingdom.

12 Short title

This Act may be cited as the House of Commons Members' Fund Act 2016.

SCHEDULE

Section 2

HOUSE OF COMMONS MEMBERS' FUND: TRUSTEES' POWERS AND PROCEEDINGS

Property

- 1 The trustees may accept gifts or bequests.
- 2 The trustees may employ staff and incur any other expenses that they think necessary or expedient.
- 3 The trustees' expenses shall be met from the Fund.
- 4 The trustees may invest money forming part of the Fund as they think fit.
- 5 The trustees may enter into arrangements for the transfer (by sale or otherwise) of liabilities or commitments (which may include future liabilities or commitments) on such terms as the trustees may agree.

Procedure

- 6 (1) The trustees may act by a majority of those present at a meeting.
(2) The quorum at a meeting of the trustees shall be 3.
(3) In other respects the trustees shall determine their own procedure.

Confidentiality

- 7 The trustees must make arrangements to keep confidential the identity of recipients of grants from the Fund.

Indemnity

- 8 (1) Each trustee and former trustee shall be indemnified out of the Fund against any action, claim, cost, losses, damages and expenses arising out of anything done or omitted to be done by the trustee in the performance or purported performance of the trustee's functions.
(2) This subsection shall not apply to acts or omissions that are dishonest, in bad faith or reckless (and the Fund may not be used to buy insurance for such cases).

Accounts and reports

- 9 The trustees shall make arrangements for the maintenance and publication of accounts in accordance with generally accepted accounting practice; and the arrangements must include –
 - (a) examination and certification of the accounts by the Comptroller and Auditor-General or another external auditor, and
 - (b) laying of the accounts and the auditor's report before the House of Commons.

- 10 The trustees may ask the Government Actuary to report to the trustees on the position of the Fund; and the trustees shall make such arrangements for the publication of reports as they think proper (which may include laying before the House of Commons).