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STATUTORY INSTRUMENTS

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**1991 No. 609**

**PARLIAMENT**

**The Parliamentary Pensions (Amendment) Regulations 1991**

<i>Made</i>	- - - -	<i>11th March 1991</i>
<i>Laid before Parliament</i>		<i>12th March 1991</i>
<i>Coming into force</i>	- -	<i>2nd April 1991</i>

The Leader of the House of Commons, in exercise of the powers conferred on him by section 2(1) and (4) of the Parliamentary and other Pensions Act 1987(1), with the consent of the Treasury, and after consultation with the trustees of the Parliamentary Contributory Pension Fund and with such persons as appeared to him to represent persons likely to be affected by the Regulations, hereby makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Parliamentary Pensions (Amendment) Regulations 1991 and shall come into force on 2nd April 1991.

**Interpretation**

2. In these Regulations, unless the context otherwise requires:

(1) “the 1972 Act” means the Parliamentary and other Pensions Act 1972(2) as amended by the Parliamentary and other Pensions and Salaries Act 1976(3), the Parliamentary Pensions Act 1978(4) and the Parliamentary Pensions Etc. Act 1984(5).

(2) Expressions used in these Regulations have the meaning which they bear in the existing enactments as defined in paragraph 5 of Schedule 2 to the Parliamentary and other Pensions Act 1987.

**Maximum pension**

3. In section 3 of the 1972 Act (contributions from Parliamentary remuneration) after subsection (7) there shall be inserted:

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(1) 1987 c. 45.  
(2) 1972 c. 48.  
(3) 1976 c. 48.  
(4) 1978 c. 56.  
(5) 1984 c. 52.

“(8) Where on or after 2nd April 1991 a person’s aggregate period of reckonable service as a Member (increased where appropriate by the addition of any period under section 22(3) of this Act or by the purchase of added years by virtue of section 11 of the Act of 1978) exceeds that which would give rise to the maximum pension allowed in respect of that person under section 7(3A) of this Act, and that Member has not attained the age of 65, no deduction shall be made from his salary under this section.”

### **Early retirement**

4. In section 7 of the 1972 Act after subsection (4A) there shall be inserted:

“(4B) Where on or after 2nd April 1991 a person who

- (a) is a Member of the House of Commons and ceases to be a Member of that House;
- (b) has attained the age of fifty years; and
- (c) has been a Member of that House for a period of not less than fifteen years, or for two or more periods amounting in the aggregate to not less than fifteen years (hereinafter referred to in respect of a person as his “qualifying period”), applies in writing to the trustees for an immediate pension under this section, then, if the trustees are satisfied that he does not intend to stand for re-election to that House, he shall be entitled to receive a pension under this section as if he had attained the age of 65 years on the date of his application or, if later, such other date as may be there specified; but the annual amount of the pension to which he is so entitled, both before and after he attains the age of 65 years, shall (subject to sections 11 and 31 of this Act) be an amount calculated in accordance with Schedule 5 to this Act.

(4C) For the purposes of subsection (4B)(c) of this section service of a person as a Member of the Parliament of the European Communities, whether rendered before or after 2nd April 1991, may count towards his qualifying period to the extent that it is not concurrent with service as a Member of the House of Commons.”

5. After Schedule 4 to the 1972 Act there shall be inserted:

“SCHEDULE 5

Section 7(4B)

### **Early retirement for certain Members after 2nd April 1991**

1. The pension to which a person is entitled by virtue of section 7(4B) shall be abated, having regard to the person’s age and the length of his qualifying period at the date of his application or, if later, such other date as may be there specified, from the date from which that pension is payable by the percentage specified in the table below.

2. The pension to which a person is entitled by virtue of section 7(4B) shall not be reduced below the rate of the guaranteed minimum pension, as provided for by Article 3 of the Parliamentary and other Pensions (Contracted-Out Provisions) Order 1978(6).

**Abatement by Single Percentage from Date Pension Payable**

Qualifying period (years)	Age					
Age pension brought into payment	20 or more	19	18	17	16	15
65	0.0	0.0	0.0	0.0	0.0	0.0
64	0.0	0.0	0.0	0.0	0.0	7.0
63	0.0	0.0	0.0	0.0	7.0	13.7
62	0.0	0.0	0.0	7.0	13.7	19.9
61	0.0	0.0	7.0	13.7	19.9	25.6
60	0.0	7.0	13.7	19.9	25.6	30.8
59	7.0	13.7	19.9	25.6	30.8	35.6
58	13.7	19.9	25.6	30.8	35.6	39.9
57	19.9	25.6	30.8	35.6	39.9	43.7
56	25.6	30.8	35.8	39.9	43.7	47.0
55	30.8	35.6	39.9	43.7	47.0	50.0
54	35.6	39.9	43.7	47.0	50.0	52.8
53	39.9	43.7	47.0	50.0	52.8	55.4
52	43.7	47.0	50.0	52.8	55.4	57.7
51	47.0	50.0	52.8	55.4	57.7	59.8
50	50.0	52.8	55.4	57.7	59.7	61.8”

Where the age or the qualifying period is not an exact number of years the percentage abatement shall be obtained by interpolating first for the required age and secondly for the required qualifying period.

6. In section 7(6) of the 1972 Act for the words “subsections (4) and (4A)” there shall be substituted the words “subsections (4), (4A) and (4B).”

7. In section 9(1) of the 1972 Act (pensions for office-holders) after the words “section 7(4A)” there shall be inserted in both places where they occur the words “or (4B).”

8. In section 10 of the 1972 Act (amount of pension for office-holders) after subsection (3C) there shall be inserted—

“(3D) If a person becomes entitled to a pension under section 9 of the 1972 Act by virtue of his entitlement to a pension under section 7(4B) of that Act, his pension under section 9 shall be abated by the same percentage and from the same date as the pension paid by virtue of section 7(4B).”

9. In section 25(2A) of the 1972 Act (interpretation) there shall be substituted for the words “under section 7(4), 10(4) or” the words “under section 7(4), 7(4B), 10(3D), 10(4) or”

### **Changes to widows', widowers' and children's pensions**

**10.**—(1) In section 13(2) of the 1972 Act (amount of widows' pensions) there shall be substituted for the words “one-half” the words “five-eighths”.

(2) Paragraph (1) above shall have effect in relation to a widow whose husband dies on or after 6 April 1988, provided that the widow's pension is not payable at the increased rate until the date these regulations come into force, but shall not have effect in relation to any pension which first became payable under the 1972 Act before 6 April 1988.

**11.**—(1) In section 15(2) of the 1972 Act (amount of children's pensions) there shall be substituted for the words from “a sum equal to one-quarter” to the end of the sentence the words

- “(a) a sum equal to one-quarter of the basic or prospective pension or pensions of the deceased if there is one child or, if there is more than one, a sum equal to three-sixteenths of the basic or prospective pension or pensions of the deceased for each relevant child not exceeding two; or
- (b) if the widow or widower is dead and subject to sub-section (4) below, a sum equal to five sixteenths of the basic or prospective pension or pensions of the deceased for each relevant child not exceeding two.”

(2) Paragraph (1) above shall have effect in relation to a child's pension where the person from whom the pension derives dies on or after 6 April 1988, provided that the child's pension is not payable at the increased rate until the date these regulations come into force, but shall not have effect in relation to any pension which first became payable under the 1972 Act before 6 April 1988.

### **Increase in death gratuity**

**12.**—(1) In section 16(3)(a) of the 1972 Act (amount of gratuity on death of Member or officeholder) there shall be substituted for the words “the amount of a Member's pensionable salary” the words “the amount equal to twice the Member's pensionable salary.”

(2) Paragraph (1) above shall be deemed to have come into force on 6 April 1988 but shall not have effect in relation to any gratuity which first became payable under the 1972 Act before that date.

### **Protection against adverse alterations**

**13.** Where a person has ceased to be a Member of the House of Commons or to hold a qualifying office before these Regulations come into force and these Regulations put him in a worse position in relation to an accrued right than he would have been in apart from the Regulations, he or (where he has died) persons who are or may become entitled by virtue of that right to or to the benefit of any pension, or a person acting on behalf of that person or those persons, may opt for the accrued right to remain unaffected by these Regulations.

### **Appointment of agents**

**14.** The trustees of the Fund may appoint such person as they think fit to acquire assets for and dispose of assets of the Fund on their behalf and in accordance only with such instructions as to investment policy, as the trustees shall from time to time determine and lay down.

**15.** The trustees of the Fund shall review any acquisition or disposal of the assets of the Fund by such person as may be appointed under regulation 14 and shall do so within six months of the date of any such acquisition or disposal.

**16.** Upon a review pursuant to regulation 15, the trustees may ratify the acquisition or disposal, or may take such other action in respect of it as they think fit.

11th March 1991

*John MacGregor*  
Leader of the House of Commons

We consent

11th March 1991

*Greg Knight*  
*Irvine Patnick*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

1. These Regulations amend the Parliamentary and other Pensions Act 1972 (as amended), which by virtue of the Parliamentary and other Pensions Act 1987 (the 1987 Act), section 2 and Schedule 2, has effect as if contained in regulations made under section 2 of the 1987 Act and can be modified accordingly. The Regulations make a number of changes to the provision of pensions for Members of Parliament and the holders of Ministerial and other offices and provide for the trustees of the Parliamentary Contributory Pension Fund to appoint an agent to deal with assets of the Fund on their behalf.

2. Regulation 3 provides that no deductions will be made from the salary of an MP below the age of 65 if he has sufficient reckonable service to earn a maximum pension.

3. Regulations 4 to 6 introduce new early retirement provision for MPs, under which a full accrued pension is payable from the age of 60 and an abated pension from the age of 50 to an MP who has the requisite amount of service. Provision is also made for service as a Member of the European Parliament, including service before these Regulations, to count towards the qualifying period of service. Regulations 7 and 8 provide that an officeholder who is entitled to a pension under the new early retirement arrangements is also entitled to an officeholder's pension, similarly abated. Regulation 9 ensures that where a person receives an abated pension under the new early retirement arrangements, the widows', widowers' and children's pensions will be calculated on the unabated pension.

4. Regulations 10, 11 and 12 alter respectively the amount of widows' and widowers' benefits, children's benefits and death gratuity and regulation 13 provides the protection for former MPs required by the 1987 Act against any adverse alteration of accrued rights.

5. Regulations 14 to 16 empower the trustees of the Fund to appoint an agent to acquire and dispose of assets of the Fund on their behalf. Regulation 14 provides that the person appointed shall act in accordance with the investment policy of the trustees. Regulations 15 and 16 require the trustees to review any acquisitions and disposals of assets within a period of six months and to ratify or take any other appropriate action in respect of them.