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STATUTORY INSTRUMENTS

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**1996 No. 2406**

**PARLIAMENT**

**The Parliamentary Pensions (Amendment) Regulations 1996**

*Made* - - - - *16th September 1996*  
*Laid before Parliament* *18th September 1996*  
*Coming into force* - - *10th October 1996*

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<sup>(1)</sup>, with the consent of the Minister for the Civil Service<sup>(2)</sup> 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:

**Title and commencement**

1. These Regulations may be cited as the Parliamentary Pensions (Amendment) Regulations 1996 and shall come into force on 10th October 1996, but shall have effect from 1st July 1996, save that regulations 3(a), 5(1) and 6 shall have effect from 1st April 1995.

**Interpretation**

2. In these Regulations —

“the principal Regulations” means the Parliamentary Pensions (Consolidation and Amendment) Regulations 1993;<sup>(3)</sup>

and other expressions shall have the same meaning as in the principal Regulations.

**Adjustment in reckonable service**

3. Regulation E2 of the principal Regulations shall be amended by —

(a) substituting for the words “participating Member in service on 1st April 1995” in paragraph (1A)<sup>(4)</sup> the words “participant in service on or after 1st April 1995”; and

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(1) 1987 c. 45.

(2) See the Transfer of Functions (Treasury and Minister for the Civil Service) Order 1995 (S.I.1995/269), Article 3 and the Schedule.

(3) S.I. 1993/3253, amended by S.I. 1995/2867.

(4) Paragraph (1A) was inserted by S.I. 1995/2867.

- (b) inserting in paragraph (2), at the beginning, the words “Subject to paragraph (2A) below,” and by inserting after that paragraph the following paragraph —

“(2A) In the case of a participant in service on or after 1st July 1996, where his aggregate period of reckonable service as a participating office holder includes service which is treated as ending before 20th July 1983 by virtue of article 10(1)(ii) of the Parliamentary Pensions (Added Years and Rates of Accrual) (Further Provisions) Order 1984<sup>(5)</sup>, the period of such service shall be multiplied by five-sixths.”; and

- (c) adding in paragraph (3), after the words “added years”, the words “, subject to any adjustment made by virtue of paragraphs (1A) or (2A) above.”

### **Relevant terminal salary**

4.—(1) Regulation F2 of the principal Regulations shall be amended by inserting in paragraph (2), at the beginning, the words “Subject to paragraph (2A) below,” and by inserting after that paragraph the following paragraph —

“(2A) In the case of a participating Member in service on or after 1st July 1996, if under paragraph (2) of this regulation the amount of a Member’s ordinary salary for any period before that date is to be included in the relevant terminal salary, that amount shall be calculated as if a Member’s ordinary salary during that period was payable at the yearly rate of £43,000.”

(2) Regulation F4 of the principal Regulations shall be amended by inserting in paragraph (4), at the beginning, the words “Subject to paragraph (4A) below,” and by inserting after that paragraph the following paragraph —

“(4A) In the case of a participating office holder in service on or after 1st July 1996, if under paragraph (4) of this regulation the amount of a Member’s ordinary salary for any period before that date is to be included in the relevant terminal salary, that amount shall be calculated as if a Member’s ordinary salary during that period was payable at the yearly rate of £43,000.”

### **Increase in accrual rate**

5.—(1) In paragraph (3A) of regulation F2<sup>(6)</sup> of the principal Regulations, for the words “participating Member in service on 1st April 1995” there shall be substituted the words “participant in service on or after 1st April 1995”.

(2) Regulation F4 of the principal Regulations shall be amended by inserting in paragraph (5), at the beginning, the words “Subject to paragraph (5A) below,” and by inserting after that paragraph the following paragraph —

“(5A) In the case of a participant in service on or after 1st July 1996, in paragraph (3) of this regulation “the appropriate fraction” means one-fiftieth.”

### **Increased accrual rate: consequential provisions**

6. In regulation 5 of the Parliamentary Pensions (Amendment) Regulations 1995<sup>(7)</sup> for the words “participating Member in service on 1st April 1995” there shall be substituted the words “participant in service on or after 1st April 1995”.

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(5) S.I. 1984/1908, which was revoked with savings by S.I. 1993/3253.

(6) Paragraph (3A) was inserted into regulation F2 by S.I. 1995/2867.

(7) S.I. 1995/2867.

### **Gratuity on death in service**

7. Regulation L1(8) of the principal Regulations shall be amended by substituting in paragraph (5) for the words “a Member’s ordinary” the word “his” and by inserting after paragraph (6) the following paragraph —

“(7) In paragraph (5) above “salary” means —

- (a) where the participant is a participating Member, a Member’s ordinary salary at the time of his death; and
- (b) where the participant is a participating office holder, his salary as an office holder at the time of his death as defined by regulation D2(2);

and, where the participant is both a participating Member and a participating office holder, the aggregate of those two amounts.”

### **Gratuity on death after retirement**

8. In relation to any person in respect of whom the Trustees may grant a gratuity under regulation L2 of the principal Regulations, the amount of the gratuity referred to in regulation L2(3)(a) shall be calculated as if the amendments effected by regulation 7 above had not been effected.

16th September 1996

*Tony Newton*  
Leader of the House of Commons

I consent on behalf of the Minister for the Civil Service

16th September 1996

*Roger Freeman*  
Chancellor of the Duchy of Lancaster

*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 is not part of the Regulations)

These Regulations amend the Parliamentary Pensions (Consolidation and Amendment) Regulations 1993 and the Parliamentary Pensions (Amendment) Regulations 1995.

The effect of regulation 4 is that where the amount of a Member's ordinary salary during any period prior to 1st July 1996 falls to be taken into account in determining relevant terminal salary, whether for a Member of Parliament or an office holder in service on or after 1st July 1996, the annual rate during that period shall be deemed to have been £43,000 per annum.

Regulation 5 improves the accrual rate for service in a Ministerial or other office before 20th July 1983 from sixtieths to fiftieths for participants in the scheme in service on or after 1st July 1996. There is a consequential amendment to the reckonable service of any office holder who has brought a transfer value into the scheme which has been treated as service before 20th July 1983. By virtue of regulation 3 that service is adjusted so that the resulting pension is not affected by the change in the accrual rate.

The Regulations also improve the accrual rate for service as a Member of Parliament before 20th July 1983 from sixtieths to fiftieths for participants who were not in service as Members on 1st April 1995 but who serve as participants on or after that date. The provisions for the consequential amendment of reckonable service set out in the Schedule to the Parliamentary Pensions (Amendment) Regulations 1995 are applied to such participants by virtue of regulation 6.

Regulation 7 changes the provisions relating to gratuities payable in respect of Ministers and other office holders who die in service on or after 1st July 1996. Their gratuity is three times their ministerial salary and, if they are also serving Members of Parliament, it is payable in addition to the gratuity payable in respect of a serving Member.

The effect of regulation 8 is that, notwithstanding regulation 7, there remains unchanged the amount of any gratuity which may be payable to the personal representatives of a former participant who dies after retirement without leaving any dependants entitled to a pension payable from the Fund.

Section 2 of the Parliamentary and other Pensions Act 1987 confers express power to make regulations retrospective in effect. These Regulations have effect from 1st July 1996, save that regulations 3(a), 5(1) and 6 have effect from 1st April 1995.