
STATUTORY INSTRUMENTS

2001 No. 835

PARLIAMENT

The Parliamentary Pensions (Amendment) Regulations 2001

Made - - - - *7th March 2001*
Laid before Parliament *8th March 2001*
Coming into force - - *1st April 2001*

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

Title, commencement and interpretation

1.—(1) These Regulations may be cited as the Parliamentary Pensions (Amendment) Regulations 2001 and shall come into force on 1st April 2001.

(2) In these Regulations—

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

“the 1995 Act” means the Pensions Act 1995(4);

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

Amendments to the Principal Regulations

2.—(1) In regulation B1(1), the words “the distribution of functions between the Custodian Trustee and the Managing Trustees,” shall be omitted.

(2) For Schedule 1 to the principal Regulations there shall be substituted:

(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, 1996/2406 and 1999/2100 of which only S.I. 1999/2100 is relevant to these Regulations.

(4) 1995 c. 26.

“SCHEDULE 1

Regulation B1

Parliamentary Contributory Pension Fund**General provisions as to Trustees**

1. The Trustees shall be not more than ten in number, of whom one shall be a pensioner Member.
2. With the exception of the pensioner Member referred to in paragraph 1, no person shall be appointed to be a Trustee unless he is a Member of the House of Commons.
3. Where a Trustee ceases to be a Member of the House of Commons he shall continue in office until—
 - (a) he is removed, or
 - (b) another Trustee is appointed in his place, or
 - (c) he resigns.
4. The Trustees may act by a majority of those present at any meeting of the Trustees at which a quorum is present.
5. The procedure of the Trustees shall, subject to the provisions of these Regulations, be such as the Trustees may determine, and the quorum for any meeting of the Trustees shall be three.
- 6.—(1) Subject to section 33 of the 1995 Act, each Trustee shall be indemnified out of the Fund against all liabilities incurred in the performance or purported performance of his functions except where the Trustee has acted dishonestly, in bad faith or recklessly.
(2) There shall not be purchased out of the Fund any indemnity insurance covering any of the liabilities mentioned in subparagraph (1) above (including those where the exception applies).

Administration and Management of the Fund

7. The Trustees may place all or any of the assets of the Fund under the control of, or in the name of, such body corporate as nominee for them as may be appointed by them or on their behalf.
8. Notwithstanding regulation 3(3)(c) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996(5), the Trustees shall appoint a fund manager.
9. The Trustees may employ such officers, servants and agents in connection with the functions of administration of the Fund and the management and application of the assets of the Fund as they think fit, and any such agent may subdelegate any such function, so far as is consistent with the terms of its appointment.
10. Notwithstanding regulation 10(3)(a) of the Occupational Pension Schemes (Investment) Regulations 1996(6), the Trustees must secure that there is prepared, maintained and from time to time revised a written statement of the principles governing decisions about investments for the purposes of the Fund and they shall comply in all respects with the provisions of section 35 of the 1995 Act, except that the consultation referred to in section 35(5)(b) shall be with the Leader of the House of Commons.
11. Without prejudice to the generality of the power of investment contained in section 1(3) of the 1987 Act, the Trustees may in particular enter into any of the following transactions:

(5) S.I. 1996/1715.

(6) S.I. 1996/3127.

- (a) the purchase from an insurance company (as defined in section 659B of the Taxes Act 1988(7)) and maintenance of any annuity for the life of any person, or for any other period;
- (b) the establishment and maintenance of any policy of life assurance;
- (c) the underwriting or sub-underwriting of any funds, securities, bonds, debentures, stocks or shares;
- (d) the purchase of any asset which does not produce an income;
- (e) the purchase of or dealing in foreign currencies, options, traded option or financial futures;
- (f) the making of secured or unsecured loans of any assets of the Fund, including cash, securities, bonds, debentures, stocks or shares;
- (g) the purchase of real property or any interest in real property, in relation to which the Trustees may act as if they were absolutely and beneficially entitled to such property.

12. The Trustees may raise or borrow any money, upon such terms as they think fit, for any of the purposes of the Fund and may secure money by charging all or any part of the Fund or any particular investment in the Fund.

13. The Trustees may insure any asset of the Fund on such terms as they think fit.

14. All expenses incurred in connection with the administration and management of the Fund (including any fee payable to the Comptroller and Auditor General) and the remuneration and pensions, or contributions towards pensions, payable to or in respect of officers and servants employed by the Trustees shall be paid out of the Fund.

15. The Trustees may, with the consent of the Leader of the House of Commons, settle or compromise any claim or dispute relating to the Fund.

16. The Trustees shall keep proper accounts and shall prepare in respect of each financial year of the Fund statements of account in such form and in such manner as the Comptroller and Auditor General may direct.

17. The Comptroller and Auditor General shall examine and certify every statement of account prepared under paragraph 16 of this Schedule and shall lay a copy of every such statement, together with his report on it, before the House of Commons.”.

7th March 2001

Margaret Beckett
Leader of the House of Commons

I consent on behalf of the Minister for the Civil Service

7th March 2001

Dr Marjorie Mowlam

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

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Regulations amend the Parliamentary Pensions (Consolidation and Amendment) Regulations 1993 and replace Schedule 1 to those Regulations with a new one.

The Regulations remove the requirement for a Custodian Trustee, leaving the Trustees with responsibility for the Parliamentary Contributory Pension Fund (“the Fund”). Among the powers given to the Trustees, they may place the assets of the Fund under the control of a nominee (paragraph 7 of Schedule 1). They are also required to appoint a fund manager (paragraph 8) and prepare a statement of investment principles (paragraph (10)). Paragraph 11 gives certain specific investment powers without affecting the Trustees' general investment powers.