

These notes refer to the Allowances to Members of the Assembly (Repeal) Act (Northern Ireland) 2011 (c.8) which received Royal Assent on 10 February 2011

Allowances to Members of the Assembly (Repeal) Act (Northern Ireland) 2011

EXPLANATORY NOTES

BROADER POLICY OBJECTIVES

8. The Act does not itself make any provision in relation to the new allowances. However in the interests of transparency and of enhancing understanding of the broader policy proposals, they are outlined below. A draft determination making such provision was put before the Assembly 13 December 2010.

Resettlement Allowance

9. Each former Member who is not returned following an election (either through standing down or through non-election) is entitled to receive a resettlement allowance. This allowance is based on 'salary as a Member' (i.e. the basic salary, excluding for example any additional ministerial salary) and is calculated according to the Schedule to the 2000 Act. The Schedule provides a matrix that shows the percentage to be applied to the salary as a Member in order to calculate the resettlement allowance. That percentage is based on a Member's age at the date of dissolution and the length of his or her service. The Schedule specifies that all Members who have less than 10 years' service as a Member receive the same level of allowance regardless of their age. At the 2007 election, for example, all Members received the same level of allowance even though some had been Members since the establishment of the Assembly while others had only been Members for a matter of months. The SSRB report suggested that resettlement allowance should, like a redundancy payment, reflect length of service.
10. The SSRB report also noted that, by including a Member's age as a factor in determining resettlement allowance, the 2000 Act runs contrary to the principle of age discrimination legislation.

Having considered the issue, the Commission, in accordance with the SSRB's recommendation, is recommending that resettlement allowance be renamed as resettlement payment and calculated at one month's salary for each year of service as an Member, up to a maximum of nine months' salary, and paid to any person who is a Member of the Assembly immediately before its dissolution who does not stand for election to the Assembly, or does stand, but is not returned as a Member.

Ill-health Retirement Allowance

11. The 2000 Act allows the Commission to pay an amount to a Member who retires through ill-health, calculated using exactly the same matrix as for resettlement allowance (see above). In accordance with the SSRB's recommendation, the Commission is recommending that ill-health retirement allowance be renamed as ill-health retirement payment and calculated in the same way as the resettlement payment.

Winding-up Allowance

12. Winding-up allowance is paid to, or in respect of, persons who cease to be Members. The maximum level that can be claimed is set in the 2000 Act and can be changed by order made by the Commission. The SSRB sought to tidy up the expenditure regime by establishing a direct proportion (of one-third) between the rate of office costs expenditure and winding-up allowance. In accordance with the SSRB's recommendation, the Commission is therefore recommending that winding-up allowance be renamed as winding-up expenditure and that the limit be set, and remain at, one third of the office costs expenditure each time the level of the office costs expenditure is increased.