



# Ministerial and Other Pensions and Salaries Act 1991

## 1991 CHAPTER 5

An Act to make new provision with respect to the pensions payable to or in respect of persons who have held the office of Prime Minister and First Lord of the Treasury, Speaker of the House of Commons or Lord Chancellor; to relate the salary of the Lord Chancellor to that of the Lord Chief Justice; to provide for the making of grants to persons ceasing to hold ministerial and certain other offices and the payment of an allowance to persons holding those offices who are members of the House of Lords; to make new provision for determining the Exchequer contributions to the Parliamentary Contributory Pension Fund; and to extend the purposes for which payments can be made under section 4(1) of the House of Commons Members' Fund Act 1948. [28th February 1991]

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:—

### **1 Pensions of Prime Minister, Speaker and Lord Chancellor**

(1) For subsections (3) and (4) of section 26 of the Parliamentary and other Pensions Act 1972 (pensions of Prime Minister and Speaker) there shall be substituted—

“(3) Subject to section 31 of this Act, the annual amount of a pension payable to a person under this section in respect of the office of Prime Minister and First Lord of the Treasury shall be equal to one-half of the annual amount of the salary payable in respect of that office at the time when that person ceases to hold it.

(4) Subject to section 31 of this Act, the annual amount of a pension payable to a person under this section in respect of the office of Speaker of the House

of Commons shall be equal to one-half of the annual amount of the salary payable in respect of that office at the time when that person ceases to hold it.”

(2) For section 28(1) of that Act (pension of Lord Chancellor) there shall be substituted—

“(1) Subject to section 31 of this Act, the annual amount of any pension granted under section 3 of the Lord Chancellor’s Pension Act 1832 shall, in the case of a person resigning the office of Lord Chancellor, be equal to the aggregate of one-half of the annual amount of the salary payable in respect of his tenure of that office and one-half of the annual amount of the salary payable to him as Speaker of the House of Lords at the time when he ceases to hold those offices.”

(3) Sections 27(4) and 29 of that Act (which become unnecessary in consequence of the foregoing provisions) are hereby repealed.

(4) The foregoing provisions of this section apply to persons ceasing to hold the office of Prime Minister and First Lord of the Treasury, Speaker of the House of Commons or Lord Chancellor after the passing of this Act.

(5) The annual amount of the pension which at the passing of this Act is payable under—

(a) section 26(3) of the said Act of 1972; or

(b) section 3 of the Ministerial Salaries Consolidation Act 1965,

to a person who has ceased to be Prime Minister and First Lord of the Treasury before that time shall be increased by the sum required to bring that amount up to what it would be by virtue of the foregoing provisions of this section if he had ceased to hold those offices immediately after the passing of this Act.

## **2 Participation of Prime Minister and Speaker in Parliamentary Contributory Pension Fund**

(1) In section 2(3) of the Parliamentary and other Pensions Act 1987 (no pensions payable for or in respect of persons with service as Prime Minister and First Lord of the Treasury or Speaker of the House of Commons) for the words from “Prime Minister” onwards there shall be substituted the words “; and regulations under this section shall not provide for the application of any of the assets of the Fund in or towards the provision of pensions for or in respect of any person with service as Prime Minister and First Lord of the Treasury or Speaker of the House of Commons unless he has in accordance with the regulations elected to contribute to the Fund out of his remuneration as a Member of that House while holding that office.”

(2) Regulations under section 2 of that Act applying to a person who has made an election by virtue of subsection (1) above shall not enable any pension for or in respect of that person to be calculated by reference to service as a Member of the House of Commons before the passing of this Act.

## **3 Lord Chancellor’s salary**

(1) In subsection (2) of section 1 of the Ministerial and other Salaries Act 1975 (salary of Lord Chancellor) as amended by the Lord Chancellor’s Salary Order 1989 for “£91,500 a year” there shall be substituted “£2,000 a year more than the salary for the time being payable to the Lord Chief Justice”.

- (2) In subsection (4) of that section (power to increase salaries by Order in Council subject to affirmative procedure) for the words “by subsection (2) or (3) above” there shall be substituted the words “by subsection (2) above as the annual amount by which the salary is to exceed that of the Lord Chief Justice or by subsection (3) above”.

#### **4 Grants to persons ceasing to hold ministerial and other offices**

- (1) Where a person who has not attained the age of sixty-five—
- (a) ceases at any time (“the material time”) after the passing of this Act to hold a relevant office; and
  - (b) does not again become the holder of a relevant office within the period of three weeks beginning at the material time,
- he shall be entitled to a payment under this section.
- (2) Subject to subsection (3) below, the amount of the payment to which a person who has ceased to hold a relevant office is entitled under this section is an amount equal to one-quarter of the annual amount of the salary which was being paid to that person in respect of that office immediately before the material time.
- (3) If that person was immediately before the material time a Member of the House of Commons the amount mentioned in subsection (2) above shall be reduced by an amount equal to one-quarter of the difference between—
- (a) the annual amount of the salary which was then being paid under a Resolution of that House to Members who are Officers of that House or receiving a salary under the Ministerial and other Salaries Act 1975 or a pension under section 26 of the Parliamentary and other Pensions Act 1972; and
  - (b) the annual amount of the salary which was then being paid under that Resolution to other Members.
- (4) A payment under this section shall not be made until the end of the period mentioned in subsection (1)(b) above.
- (5) No payment shall be made under this section where a person has ceased to hold a relevant office on his death.
- (6) In this section “a relevant office” means—
- (a) any office, other than that of Prime Minister and First Lord of the Treasury, in respect of which a salary is payable in accordance with Schedule 1 to the Ministerial and other Salaries Act 1975 (ministerial salaries);
  - (b) any position in respect of which a salary is payable in accordance with Schedule 2 to that Act (Opposition Leaders and Whips);
  - (c) the office of Chairman of Ways and Means and any office of Deputy Chairman of Ways and Means in respect of which a salary is payable out of money provided by Parliament; and
  - (d) the office of Chairman of Committees of the House of Lords and any office of Deputy Chairman of Committees of the House of Lords in respect of which a salary is payable out of such money.
- (7) Where a person ceases to hold a relevant office while Parliament is dissolved subsection (3) above shall have effect as if for the words “immediately before the material time” there were substituted the words “immediately before the dissolution”.

- (8) Where a person ceases on a dissolution of Parliament to hold any such position as is mentioned in subsection (6)(b) above, subsection (1)(b) above shall have effect in relation to his ceasing to hold that position on the dissolution as if for the words “three weeks” there were substituted the words “six weeks”.
- (9) Section 13 of the Parliamentary Pensions etc. Act 1984 is hereby repealed except in cases where the loss of office in question was before the passing of this Act.
- (10) In section 190(b) of the Income and Corporation Taxes Act 1988 (tax treatment of payments under the said section 13) after the words “section 13 of the Parliamentary Pensions etc. Act 1984” there shall be inserted the words “or section 4 of the Ministerial and other Pensions and Salaries Act 1991”.

## **5 Allowance for ministerial and other office-holders in House of Lords**

- (1) An allowance shall be payable under this section to—
- (a) any member of the House of Lords who holds an office in respect of which a salary is payable in accordance with Schedule 1 to the Ministerial and other Salaries Act 1975 (ministerial salaries);
  - (b) any member of that House who holds a position in respect of which a salary is payable in accordance with Schedule 2 to that Act (Leader of Opposition and Chief Opposition Whip); and
  - (c) the Chairman of Committees and Principal Deputy Chairman of Committees of that House.
- (2) The allowance shall be payable from 6th April 1990 and—
- (a) for the period beginning with that date and ending on 31st July 1990, shall be £4,672;
  - (b) for any year, or part of a year, beginning on or after 1st August 1990, shall be such amount as may be specified by or determined in accordance with an Order in Council.
- (3) An Order in Council under subsection (2)(b) above may provide for the amount for any year, or part of a year, to be calculated by applying a specified multiplier to the maximum daily amount which, under any Resolution of the House of Lords, is recoverable in that year or part by a member of that House, other than one to whom this section applies, in respect of his expenses in staying overnight away from his main or only residence.
- (4) The allowance payable under this section to the holder of an office shall not be regarded as part of his salary in respect of that office for pension purposes or for the purposes of section 4 above.

## **6 Exchequer contributions to Parliamentary Contributory Pension Fund**

- (1) The Leader of the House of Commons may, with the consent of the Treasury, by regulations make provision for determining the Exchequer contribution to be paid in respect of each financial year into the Parliamentary Contributory Pension Fund under subsection (1) of section 3 of the Parliamentary and other Pensions Act 1987 and on the coming into force of the first regulations under this section subsections (2) to (7) of that section shall cease to have effect.

- (2) The power to make regulations under this section shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament; and no such regulations shall be made unless the trustees of the Fund and persons appearing to the Leader of the House of Commons to represent persons likely to be affected by the regulations have first been consulted about them.
- (3) Where the Leader of the House of Commons has made any proposals for the making of regulations under this section a copy of any representations made to him by the trustees of the Fund about the proposals shall be laid before the House of Commons.
- (4) Regulations under this section may—
  - (a) apply to a financial year which has already ended or which has begun before the making of the regulations; and
  - (b) make such incidental, consequential and transitional provision as the Leader of the House of Commons considers appropriate.
- (5) In this section “ the Leader of the House of Commons” means the Minister of the Crown who is for the time being designated as Leader of the House of Commons by the Prime Minister and First Lord of the Treasury.

## **7 House of Commons Members' Fund**

- (1) For subsection (1) of section 4 of the House of Commons Members' Fund Act 1948 (payments for alleviating special hardship in the case of persons who have been members of the House of Commons or their widows, widowers or orphan children) there shall be substituted—
  - “(1) Subject to the provisions of this section, the trustees may cause to be made out of sums appropriated for the purposes of this section or the income thereof such periodical or other payments to or in respect of—
    - (a) persons who have been members of the House of Commons whether before or after the passing of the principal Act; or
    - (b) the widows, widowers or orphan children of such persons,as the trustees think fit having regard to the circumstances of the persons to or in respect of whom the payments are to be made.”
- (2) In subsection (2) of that section the words “except paragraph 5 of that Schedule” and “subject to the provisions of the said paragraph 5” are hereby repealed.

## **8 Financial provisions**

- (1) A payment under section 4 above to a person who has ceased to hold a relevant office shall be made out of money provided by Parliament or charged on and paid out of the Consolidated Fund according as the salary payable in respect of that office is payable out of such money or charged on and paid out of that Fund.
- (2) The allowance payable under section 5 above to a person within paragraph (a) or (c) of subsection (1) of that section shall be paid out of money provided by Parliament and the allowance payable under that section to a person within paragraph (b) of that subsection shall be charged on and paid out of the Consolidated Fund.
- (3) There shall be charged on and paid out of the Consolidated Fund or, as the case may be, paid out of money provided by Parliament any increase attributable to this Act

in the sums charged on and payable out of that Fund or payable out of such money under any other Act.

**9 Short title and extent**

- (1) This Act may be cited as the Ministerial and other Pensions and Salaries Act 1991.
- (2) This Act extends to Northern Ireland.