

# CONSTITUTIONAL REFORM AND GOVERNANCE ACT 2010

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### *Schedule 6: Parliamentary and other pensions*

#### **Part 3: Amendments, transitional provision etc**

255. *Paragraph 35* makes consequential amendments to Part 1 of Schedule 2 to the Pensions (Increase) Act 1971 so that the provisions of that Act continue to apply to pensions payable out of the Parliamentary Contributory Pension Fund.
256. *Paragraphs 36* and *37* make consequential amendments to section 27 of the Parliamentary and other Pensions Act 1972, so that the Minister for the Civil Service can designate provisions in the Ministers' etc pension scheme made under paragraph 16 of Schedule 6 to apply for the purpose of calculating pensions for dependants of the Prime Minister or Speaker of the House of Commons. Section 27 of the Parliamentary and other Pensions Act 1972 currently provides that provisions in the Parliamentary pension scheme can be designated to apply for that purpose by regulations made by the Leader of the House of Commons.
257. *Paragraphs 38* to *41* make amendments to the European Parliament (Pay and Pensions) Act 1979 ("the 1979 Act"). *Paragraph 38* provides that the IPSA may make a scheme containing provision with respect to pensions payable to or in respect of persons who have ceased to be United Kingdom representatives at the European Parliament, but only in relation to those who have opted-out of arrangements for remuneration of MEPs under the single Statute for MEPS (European Parliament Decision [2005/684/EC](#), Euratom) which came into effect on 14 July 2009 ("opted-out MEPs"). The 1979 Act currently provides that the Leader of the House of Commons may make such provision by order. *Paragraph 38* provides that before making such a scheme, the IPSA must consult the Treasury, the Minister for the Civil Service, persons the IPSA considers represent those likely to be affected, the Government Actuary and any other person the IPSA considers appropriate. The IPSA must send to the Speaker of the House of Commons for laying before both Houses of Parliament any scheme and a statement of the reasons for making it.
258. *Paragraph 39* provides that the IPSA may, with the consent of the Treasury and the Minister for the Civil Service, direct that a block transfer value representing the aggregate value of the accrued pension rights of all United Kingdom Representatives may be paid into an overseas fund or scheme. The 1979 Act currently provides that such a direction may be made by the Leader of the House of Commons by order.
259. *Paragraph 42* makes consequential amendments to the House of Commons Members' Fund and Parliamentary Pensions Act 1981.
260. *Paragraph 43* makes consequential amendments to the Parliamentary and other Pensions Act 1987.

261. *Paragraph 44* provides that, subject to an order made under *section 51* of the Act, the 1993 Regulations (or any other regulations made under the 1987 Act in force immediately before the date specified in an order under *paragraph 44(8)*) will continue to have effect as if they were the MPs', Ministers' etc or administration scheme. This provision will also be subject to the powers of the IPSA and the Minister for the Civil Service under Schedule 6 to make new schemes. *Paragraph 44* also provides that an order under *sections 51* or *52* may provide that provisions in the 1993 Regulations (or any other regulations made under the 1987 Act in force immediately before the date specified in an order under *paragraph 44(8)*) that could not otherwise be contained in the MPs', Ministers' etc or administration scheme can continue as if they were contained in those schemes.
262. *Paragraph 45* makes consequential amendments to the Ministerial and other Pensions and Salaries Act 1991.
263. *Paragraph 46* makes consequential amendments to the Pensions Act 2004.
264. *Paragraph 47* makes consequential amendments to the 2009 Act.
265. *Paragraph 48* provides that an order under section 13 of the 2009 Act may make provision mentioned in section 13(6) (provision for transfer schemes) in connection with the changes in responsibilities for the administration scheme and the MPs' pension scheme. An order under section 13(6)(b) or (c) of the 2009 Act does not apply to property, rights and liabilities, or documents and information, held by or on behalf of the trustees of the Fund.
266. *Paragraph 49* provides that, if *paragraph 2* comes into force for the purpose of appointing the trustees of the Fund to be appointed by the IPSA or the Minister for the Civil Service before it comes into force for other purposes, then the trustees who must be consulted under *paragraph 2(1)(a)* or *(b)* are those persons who are trustees by virtue of section 1 of the 1987 Act.
267. *Paragraph 50* makes transitional provision in relation to the trustees, including that the first 8 member-nominated trustees must be selected from those persons who are trustees immediately before the beginning of the transitional period (as defined in *paragraph 50(1)*).