



# House of Commons Members' Fund Act 2016

## 2016 CHAPTER 18

### PART 1

#### HOUSE OF COMMONS MEMBERS' FUND

#### **1 The Fund**

- (1) There shall continue to be a House of Commons Members' Fund.
- (2) The purpose of the Fund is to make grants to—
  - (a) former Members of the House of Commons, and
  - (b) people who appear to the Fund's trustees to be or to have been dependents of former Members.
- (3) The Fund shall be held—
  - (a) by the trustees, or
  - (b) if they appoint one of their number as a custodian trustee, by that custodian trustee.

#### **2 Trustees**

- (1) The trustees of the Fund shall be appointed by resolution of the House of Commons.
- (2) There are to be not more than 7 trustees at any time.
- (3) The trustees must be Members of the House of Commons (subject to subsections (4) and (6)).
- (4) At any time one trustee may be a former Member of the House of Commons; and a resolution appointing a trustee under this subsection must be made—
  - (a) on a motion moved by a trustee, and

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- (b) following consultation by the trustees with persons appearing to them to be representative of former Members.
- (5) A person ceases to be a trustee upon—
  - (a) ceasing to be a Member of the House of Commons (unless appointed under subsection (4), and subject to subsection (6)), or
  - (b) removal by resolution of the House of Commons.
- (6) But where one or more persons cease to be Members of the House of Commons by reason of the dissolution of Parliament, they do not cease to be trustees by virtue of subsection (5) until a resolution of the House of Commons takes effect appointing new trustees in their place.
- (7) While a former Member is a trustee by virtue of subsection (4) or (6), grants under section 3 may not be made to the former Member or to a dependant of the former Member.
- (8) The Schedule to this Act makes provision about the powers and proceedings of the trustees.

### **3 Grants**

- (1) The trustees may make payments out of the Fund to people listed in section 1(2).
- (2) In determining whether to make payments to a person the trustees shall have regard to—
  - (a) his or her financial circumstances, and
  - (b) the state of the Fund.
- (3) Payments may be single or periodical.

### **4 Levy on Members' salaries: basic amount**

- (1) Amounts shall be deducted from the salaries of Members of the House of Commons in accordance with this section.
- (2) The amounts to be deducted in respect of each financial year shall be set by resolution of the House of Commons.
- (3) A resolution may express a deduction as—
  - (a) a specified sum, or
  - (b) a specified percentage of salary.
- (4) A resolution may not have the effect of requiring any Member to pay more than 0.2% of his or her salary for any financial year.
- (5) Amounts to be deducted in respect of a financial year—
  - (a) are to be deducted from Members' salaries (before payment) in equal instalments, and
  - (b) are to be paid into the Fund.

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## **5 Levy on Members' salaries: variation and suspension**

- (1) The trustees may by direction increase the amounts set by resolution under section 4 in respect of a specified financial year by the percentage applied for the purposes of Part I of the Pensions (Increase) Act 1971 in respect of that financial year.
- (2) The trustees may by direction suspend deductions under section 4 while they believe that the Fund has sufficient assets to meet demands on it.
- (3) When a suspension is lifted, deductions resume (but without adjustment to recover amounts not collected during the suspension).

## **6 Resolutions and directions**

- (1) A resolution under section 4 may be varied, replaced or revoked by a later resolution.
- (2) A resolution under section 4 must be made on a motion moved by a person who is both a Member of the House of Commons and a trustee of the Fund.
- (3) A resolution under section 4 may relate to—
  - (a) the financial year in which it is passed,
  - (b) one or more specified future financial years,
  - (c) future financial years in general, or
  - (d) a combination.
- (4) Where a resolution under section 4 or a direction under section 5(1) takes effect in respect of the financial year during which it is passed, payments for the remainder of the year shall be adjusted so as to—
  - (a) give effect to the resolution or direction, and
  - (b) produce equal instalments for the remainder of the year.
- (5) Section 2 of the Statutory Instruments Act 1946 (numbering and printing) shall apply to resolutions under section 4.
- (6) A direction under section 5—
  - (a) may be replaced or revoked by a later resolution,
  - (b) remains in force despite changes in the trustees, and
  - (c) must be published by the trustees as soon as reasonably practicable.

## **7 Public money**

- (1) The trustees may surrender to the Treasury amounts which in the trustees' opinion—
  - (a) are attributable to sums paid to the Fund by the Treasury (under an enactment repealed by this Act), and
  - (b) are not required in order to allow the Fund to meet present or expected future demands.
- (2) Payments under this section shall be paid into the Consolidated Fund.

## **8 Tax**

- (1) In section 620 of the Income Tax (Earnings and Pensions) Act 2003 (meaning of “House of Commons Members' Fund” for “established by section 1 of the House of

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Commons Members' Fund Act 1939 (c.49)” substitute “specified in section 1 of the House of Commons Members' Fund Act 2016”.

(2) In section 613 of the Income and Corporation Taxes Act 1988 (parliamentary pension funds)—

- (a) in subsection (1) for “amounts deducted in pursuance of section 1 of the House of Commons Members' Fund Act 1939” substitute “amounts deducted in pursuance of section 4 of the House of Commons Members' Fund Act 2016”;
- (b) omit subsection (2); and
- (c) in subsection (4)(a) for “established under section 1 of the House of that Act of 1939” substitute “ specified in section 1 of the 2016 Act ”.

## **9 Repeals and transitional provision**

The following enactments are repealed—

- (a) the House of Commons Members' Fund Act 1939;
- (b) the House of Commons Members' Fund Act 1948;
- (c) the House of Commons Members' Fund Act 1957;
- (d) the House of Commons Members' Fund Act 1962;
- (e) the House of Commons Members' Fund and Parliamentary Pensions Act 1981;
- (f) section 12 of the Parliamentary Pensions etc. Act 1984; and
- (g) section 7 of the Ministerial and other Pensions and Salaries Act 1991.

**Changes to legislation:**

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