

SCOTTISH PARLIAMENTARY PENSIONS ACT 2009

EXPLANATORY NOTES

SUMMARY AND BACKGROUND TO THE ACT

4. In 1998 the SSRB was asked to make recommendations on appropriate pension arrangements for MSPs and holders of offices connected to the Parliament. Its priority was to arrive at arrangements which would conform to current good practice and take account of the uncertainties of parliamentary life. The SSRB concluded that the Parliamentary Contributory Pension Scheme,¹ the occupational pension scheme for the UK Parliament MPs and office-holders, should be taken as the model scheme. Based on this recommendation, a scheme for MSPs and office-holders was established on 6 May 1999 by the 1999 pensions order. This is the Scottish Parliamentary Pension Scheme as defined in section 4 of the Act. The 1999 pensions order also established a separate pension scheme, the FM/PO scheme, which was based on the arrangements made by the UK Parliament for the Prime Minister, Speaker and Lord Chancellor (see [Parliamentary and other Pensions Act 1987 \(c.45\)](#)).
5. The SSRB report in November 1998 also covered resettlement grants, ill-health retirement grants and severance arrangements. It recommended that the Scottish Parliament have similar provisions to those at the UK Parliament. The recommendations were followed and the arrangements were also made under a transitional order; the Grants Order.
6. Under section 81(3) of the 1998 Act, the Parliament can make provision for payment of pensions and gratuities in respect of persons covered by the 1999 pensions order and the Grants Order. Under section 81(5) of the 1998 Act such provision is either by resolution conferring functions on the Scottish Parliamentary Corporate Body (“SPCB”) or by an Act of the Scottish Parliament. Continuing the current scheme and updating the scheme rules by resolution is not possible given some of the changes required and the legal status of the 1999 pensions order. Primary legislation is required to update the current rules.
7. The SPCB is responsible for the management and administration of the scheme. The SPCB agreed on 13 June 2007 that, as a result of UK legislative changes, it was necessary to amend the scheme rules contained in the 1999 pensions order. The SPCB asked the Parliamentary Bureau to consider the matter and it proposed that a bill committee be established to develop proposals for a committee bill for consideration by the Parliament. The Parliamentary Bureau recommendation and the Committee remit were agreed by the Parliament on 27 June 2007 and extended on 28 November 2007. The Committee therefore examined the scheme, the FM/PO scheme and the Grants Order.
8. This Act is as a result of a Committee bill (i.e. a bill initiated by a Parliamentary committee under Rule 9.15 of the Parliament’s standing orders). The Bill resulted

¹ [S.I. 1993/3253](#)

*These notes relate to the Scottish Parliamentary Pensions Act
2009 (asp 1) which received Royal Assent on 25 February 2009*

from the Scottish Parliamentary Pension Scheme Committee's inquiry and a draft was contained in the report.