



# Parliamentary and other Pensions Act 1987

## 1987 CHAPTER 45

### **1 Continuance of Fund.**

- (1) Subject to the following provisions of this Act, the Parliamentary Contributory Pension Fund (in this Act referred to as “the Fund”) shall continue to exist on and after the day on which this section comes into force with the same trustees as it had immediately before that day.
- (2) The House of Commons shall have power by Order of the House to remove a trustee of the Fund and, subject to any provision made under section 2 below as to the qualification or number of trustees, to fill any vacancy in the trustees and to appoint additional trustees.
- (3) The trustees of the Fund may invest the assets of the Fund, whether at the time in a state of investment or not, in any investment whatever and may also from time to time vary any such investments.

### **2 Power to provide for pensions.**

- (1) The Leader of the House of Commons may, with the consent of the Treasury, by regulations make provision with respect to the Fund and with respect to the application of the assets of the Fund in or towards the provision of pensions for or in respect of persons with service to which this section applies.
- (2) Subject to subsection (3) below, the service to which this section applies is service as any of the following, that is to say—
  - (a) a Member of the House of Commons;
  - (b) the holder of any of the offices specified in Parts I to IV of Schedule 1 to the Ministerial and other Salaries Act 1975 (ministerial offices);
  - (c) the holder of any office specified in Part I of Schedule 2 to that Act (Opposition leaders and whips); or

- (d) the holder of the office of Chairman of Ways and Means, Deputy Chairman of Ways and Means, Chairman of Committees of the House of Lords or Deputy Chairman of Committees of the House of Lords.
- (3) 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 persons with service as Lord Chancellor, Prime Minister and First Lord of the Treasury or Speaker of the House of Commons.
- (4) Without prejudice to the generality of subsection (1) above, regulations under this section may—
- (a) include all or any of the provisions specified in Schedule 1 to this Act;
  - (b) subject to subsection (5) below, make provision which has effect—
    - (i) from a date earlier than the date of the making of the regulations containing the provision; or
    - (ii) in relation to service before the passing of this Act (including, in the case of service falling within subsection (2)(b) or (c) above, service before the passing of the Ministerial and other Salaries Act 1975);
  - (c) make different provision in relation to different cases, circumstances or persons; and
  - (d) make such incidental, consequential and transitional provision as the Leader of the House of Commons considers appropriate.
- (5) No regulation made under this section shall be construed as restricting the powers of the trustees of the Fund under section 1(3) above.
- (6) The Leader of the House of Commons shall not under this section make any regulations in relation to an accrued right which put any person in a worse position than he would have been in apart from the regulations unless the Leader of the House of Commons is satisfied—
- (a) that the person in respect of whose service the right has accrued or, as the case may be, will have accrued by the time when the regulations come into force is, at the time of the making of the regulations, in service to which this section applies; or
  - (b) that an opportunity is given under the regulations for that person or (where that person has died) for the persons who are or may become entitled by virtue of that right to or to the benefit of any pension, or for a person acting on behalf of that person or those persons, to opt for the accrued right to remain unaffected by the regulations.
- (7) 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; but 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.
- (8) 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.
- (9) Schedule 2 to this Act shall have effect for the purpose of treating the enactments and subordinate legislation which relate to the Fund and the payment of pensions out of the Fund and which are in force immediately before the coming into force of this section as if they were contained in regulations made under this section.

- (10) In this section “accrued right”, in relation to any regulations made under this section, means so much of any right or entitlement to or in respect of a pension payable out of the Fund (including any future or contingent right or entitlement) as—
- (a) has accrued under the Parliamentary pension scheme in respect of so much of any person’s service as was before the making of the regulations; or
  - (b) by the time when the regulations come into force, will have accrued under that scheme in respect of any service of a person whose service to which this section applies includes a period of service before the making of the regulations.

### **3 Exchequer contributions to Fund.**

- (1) In respect of each financial year an Exchequer contribution shall be paid out of money provided by Parliament into the Fund.
- (2) Subject to subsection (6) below, the amount of the contribution to be paid under subsection (1) above in respect of any financial year shall be calculated in accordance with the recommendations for that year contained in a report made under this section by the Government Actuary.
- (3) As soon as practicable after the beginning of the period of three years beginning with the relevant date and of each succeeding period of three years, the Government Actuary shall make a report to the trustees of the Fund and to the Treasury on the general financial position of the Fund as at the commencement of the period of three years in which the report is made.
- (4) Each report under this section shall contain a recommendation of the Government Actuary as to the rate at which Exchequer contributions should (subject to any subsequent report under this section) be paid into the Fund under this section in respect of any financial year beginning after the report is made; and that rate shall be expressed by reference to such matters as the Government Actuary considers appropriate.
- (5) A copy of every report made by the Government Actuary under this section shall be laid before the House of Commons.
- (6) Notwithstanding the repeals made by this Act, section 5 of the Parliamentary and other Pensions Act 1972 shall continue to have effect after the coming into force of this section for the purpose—
  - (a) of requiring a report to be made by the Government Actuary in accordance with that section in respect of any three year period which is current for the purposes of that section when this section comes into force and in respect of which no report has already been so made;
  - (b) of requiring any report so made to be laid before the House of Commons; and
  - (c) of determining the amount of the Exchequer contribution to be paid into the Fund in respect of any financial year beginning before the making of the first report to be made under this section;

and for the purposes of this subsection any recommendation contained in a report made under that section in respect of the three year period mentioned in paragraph (a) above shall, so far as it relates to the last year of that period (and except in so far as the Government Actuary otherwise recommends in the report), be treated as the recommendation to be taken into account under that section in relation to any financial year beginning after the end of the said last year and before the making of the said first report.

- (7) In this section “the relevant date” means the date immediately following the end of the three year period which is current for the purposes of the said section 5 when this section comes into force.

#### **4 Amendment of Mr Speaker King’s Retirement Act 1971.**

- (1) Subsection (2) of section 1 of Mr Speaker King’s Retirement Act 1971 shall have effect as from the coming into force of this subsection as if the annuity which would have been payable to Una, the late Lady Maybray-King, if she had survived the late Lord Maybray-King were required to be paid, during her life, to Sheila, Lady Maybray-King, his widow.
- (2) In the proviso to the said subsection (2) (application of terms and conditions applying under Part I of the Parliamentary and other Pensions Act 1972), for the words from “Part I” onwards there shall be substituted the words “the parliamentary pension scheme (within the meaning of the Parliamentary and other Pensions Act 1987)”.
- (3) There shall be charged on and paid out of the Consolidated Fund any increase attributable to this section in the sums so charged and paid under the said Act of 1971.

#### **5 Interpretation.**

- (1) In this Act, except in so far as the context otherwise requires—
- “the Fund” means the Parliamentary Contributory Pension Fund;
- “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;
- “modifications” includes additions, alterations and omissions, and cognate expressions shall be construed accordingly;
- “the Parliamentary pension scheme” means the provisions of any regulations made under section 2 above or of any enactment or subordinate legislation which by virtue of this Act has effect as if it were contained in regulations so made;
- “pension” includes gratuity;
- “subordinate legislation” has the same meaning as in the Interpretation Act 1978.
- (2) For the purposes of this Act a person shall be treated as a Member of the House of Commons at any time if, at that time, a salary is or was payable to him under such resolutions of the House of Commons relating to the remuneration of Members as are or were for the time being in force.

#### **6 Minor and consequential modifications, savings and repeals.**

- (1) Schedule 3 to this Act, which in connection with the provisions of this Act makes certain modifications and savings, shall have effect.
- (2) Subject to section 3(6) above and Schedules 2 and 3 to this Act, the enactments mentioned in Schedule 4 to this Act are hereby repealed to the extent specified in the third column of that Schedule.

**7 Short title, commencement and extent.**

- (1) This Act may be cited as the Parliamentary and other Pensions Act 1987.
- (2) This Act shall come into force on such day as the Leader of the House of Commons may by order made by statutory instrument appoint, and different days may be so appointed for different provisions or for different purposes.
- (3) This Act extends to Northern Ireland.