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SCHEDULES

SCHEDULE 6

PARLIAMENTARY AND OTHER PENSIONS

PART 1

PARLIAMENTARY AND OTHER PENSIONS

The Parliamentary Contributory Pension Fund etc

Continuance of Fund

- 1 There is to continue to be a fund known as the Parliamentary Contributory Pension Fund (“the Fund”).

Number and composition of trustees

- 2 (1) The following are to be the trustees of the Fund—
- (a) one person appointed by the IPSA after consulting the Minister for the Civil Service and the persons who are already trustees of the Fund,
 - (b) one person appointed by the Minister for the Civil Service after consulting the IPSA and the persons who are already trustees of the Fund, and
 - (c) 8 persons nominated and selected in accordance with arrangements under paragraph 3 (“member-nominated trustees”).
- (2) Paragraphs 49 and 50 make transitional provision about the trustees of the Fund.

Member-nominated trustees

- 3 (1) The trustees of the Fund must make arrangements for the nomination and selection of member-nominated trustees.
- (2) The arrangements must provide for the member-nominated trustees to be—
- (a) nominated as the result of a process in which all the members of a scheme under paragraph 12 and all the members of a scheme under paragraph 16 are eligible to participate, and
 - (b) selected as the result of a process in which some or all of those persons are eligible to participate.
- (3) The arrangements must—
- (a) include provision for the nomination and selection process to take place within a reasonable period of any vacancy arising,

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- (b) include provision, where a vacancy is not filled because insufficient nominations are received, for the nomination and selection process to be repeated at reasonable intervals until the vacancy is filled, and
 - (c) include provision that, where the IPSA or the Minister for the Civil Service so requires, a person who is not a member of a scheme under paragraph 12 and is not a member of a scheme under paragraph 16 must have the approval of the IPSA or the Minister for the Civil Service to qualify for selection as a member-nominated trustee.
- (4) The arrangements may include provision that where the number of nominations received is equal to or less than the number of vacancies, the nominees are to be treated as selected (subject to sub-paragraph (3)(c)).

Remuneration

- 4 (1) The IPSA may, with the consent of the Treasury, provide for remuneration and allowances to be payable to the trustees of the Fund.
- (2) Any such remuneration and allowances are to be paid from the assets of the Fund.

Resignation and removal of trustees

- 5 (1) A person appointed as a trustee of the Fund by the IPSA under paragraph 2(1)(a)—
- (a) may resign by giving written notice to the IPSA, and
 - (b) may be removed by the IPSA after consulting the Minister for the Civil Service and all the other trustees of the Fund.
- (2) A person appointed as a trustee of the Fund by the Minister for the Civil Service under paragraph 2(1)(b)—
- (a) may resign by giving written notice to the Minister for the Civil Service, and
 - (b) may be removed by the Minister for the Civil Service after consulting the IPSA and all the other trustees of the Fund.
- (3) A person who is a member-nominated trustee—
- (a) may resign by giving written notice to the other trustees of the Fund, and
 - (b) may be removed by all the other trustees of the Fund acting together.

Proceedings

- 6 (1) Subject to any provisions contained in a scheme under paragraph 8 because of paragraph 8(1)(d), the trustees of the Fund may determine their own procedure.
- (2) The validity of any proceedings of the trustees of the Fund is not affected by—
- (a) a vacancy among the trustees, or
 - (b) a defect in the appointment of a trustee.

Powers of trustees

- 7 (1) 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.

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- (2) The trustees of the Fund may settle or compromise any claim or dispute relating to the Fund, but—
 - (a) so far as the claim or dispute relates to a scheme under paragraph 8 or 12, they may do so only with the consent of the IPSA, and
 - (b) so far as the claim or dispute relates to a scheme under paragraph 16, they may do so only with the consent of the Minister for the Civil Service.
- (3) The IPSA must consult the Minister for the Civil Service before giving its consent to the settlement or compromise of a claim or dispute relating to a scheme under paragraph 8.
- (4) Section 35(1) to (4) of the [Pensions Act 1995](#) (pension scheme trustees must prepare statement of investment principles) applies to the trustees of the Fund despite any provision in regulations under section 35 of that Act which would (apart from this sub-paragraph) prevent it applying.
- (5) Any provision in regulations under that section which would require the trustees of the Fund to consult the employer applies as if it required them to consult the IPSA and the Minister for the Civil Service.

Administration scheme

- 8 (1) The IPSA may make a scheme containing provision about—
 - (a) the administration of the Fund,
 - (b) the management of the Fund's assets,
 - (c) the indemnification of the trustees (and former trustees) of the Fund,
 - (d) the proceedings of the trustees of the Fund, and
 - (e) the application of the Fund's assets in connection with the matters in paragraphs (a) to (d).
- (2) A scheme under this paragraph may in particular—
 - (a) include any or all of the provisions specified in paragraphs 31 to 33,
 - (b) make different provision in relation to different cases, circumstances or persons,
 - (c) make such incidental, consequential and transitional provision (other than provision modifying an enactment or subordinate legislation) as the IPSA considers appropriate.
- (3) In sub-paragraph (2)(c) the reference to subordinate legislation does not include a scheme under this paragraph.
- (4) No provision of a scheme under this paragraph is to be construed as restricting the powers of the trustees under paragraph 7(1).

Procedure for administration scheme

- 9 (1) The IPSA may make a scheme under paragraph 8 only with the consent of the trustees of the Fund.
- (2) Before making a scheme under paragraph 8 the IPSA must consult—
 - (a) the Treasury,
 - (b) the Minister for the Civil Service,

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- (c) persons the IPSA considers to represent those likely to be affected by the scheme, and
 - (d) any other person the IPSA considers appropriate.
- (3) The IPSA must send to the Speaker of the House of Commons for laying before the House of Commons—
- (a) any scheme made by it under paragraph 8, and
 - (b) a statement of the reasons for making the scheme.
- (4) When the scheme and the statement of reasons have been laid, the IPSA must publish them in a way it considers appropriate.

Exchequer contribution to Fund

- 10 (1) In respect of each financial year an Exchequer contribution is to be paid into the Fund out of money provided by Parliament.
- (2) Subject to any provision made by the IPSA under paragraph 11, the amount of the contribution for any financial year is to be calculated in accordance with recommendations for that year contained in a report made by the Government Actuary under this paragraph.
- (3) The Government Actuary must make a report under this paragraph as soon as practicable after the beginning of—
- (a) the period of three years beginning with the relevant date, and
 - (b) each succeeding period of three years.
- (4) The “relevant date” means the date immediately following the end of the three year period which is current for the purposes of section 3 of the [Parliamentary and other Pensions Act 1987](#) when this paragraph comes into force.
- (5) The report is to be made to—
- (a) the trustees of the Fund,
 - (b) the IPSA,
 - (c) the Minister for the Civil Service, and
 - (d) the Treasury.
- (6) The report must—
- (a) report on the general financial position of the Fund at the beginning of the period of three years in which the report is made, and
 - (b) make a recommendation as to the rate at which (subject to any subsequent report under this paragraph) Exchequer contributions should be paid into the Fund in respect of any financial year beginning after the report is made.
- (7) The rate is to be expressed by reference to such matters as the Government Actuary considers appropriate.
- (8) A copy of every report made by the Government Actuary under this paragraph is to be laid before the House of Commons.

Power to determine Exchequer contribution

- 11 (1) The IPSA may, with the relevant consents, make provision for determining the Exchequer contribution in respect of any financial year.

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- (2) The “relevant consents” means—
 - (a) if the result of making the provision is that the amount of the Exchequer contribution in respect of any financial year is less than it otherwise would be, the consent of the Treasury, the Minister for the Civil Service and the trustees of the Fund, and
 - (b) otherwise, the consent of the Treasury and the Minister for the Civil Service.
- (3) The “Exchequer contribution” means the amount to be paid into the Fund under paragraph 10.
- (4) Before making provision under this paragraph the IPSA must consult—
 - (a) (if sub-paragraph (2)(a) does not apply) the trustees of the Fund,
 - (b) the Government Actuary, and
 - (c) persons appearing to the IPSA to represent persons likely to be affected by the provision.
- (5) The IPSA must send to the Speaker of the House of Commons for laying before the House of Commons—
 - (a) any representations made by the trustees of the Fund in response to consultation under this paragraph,
 - (b) any provision made by the IPSA under this paragraph, and
 - (c) a statement of the reasons for making the provision.
- (6) When the provision and the statement of reasons have been laid, the IPSA must publish them in a way it considers appropriate.
- (7) Provision under this paragraph may—
 - (a) apply to a financial year which has already ended or which has begun before the making of the provision, and
 - (b) make such incidental, consequential and transitional provision (other than provision modifying an enactment or subordinate legislation) as the IPSA considers appropriate.