

# **House of Commons Members' Fund Bill**

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## EXPLANATORY NOTES

Explanatory notes to the Bill, prepared by Mr Peter Lilley, the Member in charge of the Bill, are published separately as Bill 145 – EN.

# House of Commons Members' Fund Bill

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Schedule – Trustees' powers and proceedings

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**B I L L**

TO

Consolidate and amend provisions about the House of Commons Members' Fund.

**B**E IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

**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 dependants of former Members. 5
- (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. 10

**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 subsection (4)). 15
- (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
  - (b) following consultation by the trustees with persons appearing to them to be representative of former Members. 20

- (5) While a former Member is a trustee, grants under section 3 may not be made to the former Member or to a dependant of the former Member.
- (6) A person ceases to be a trustee upon—
- (a) ceasing to be a Member of the House of Commons (unless appointed under subsection (4)), or
  - (b) removal by resolution of the House of Commons.
- (7) The Schedule to this Act makes provision about the powers and proceedings of the trustees.

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### 3 Grants

- (1) The trustees may make payments out of the Fund to people listed in section 1(2). 10
- (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. 15
- (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. 20
- (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. 25
- (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. 30

### 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. 35
- (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. 5
- (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. 10
- (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. 15
- (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. 20

**7 Public money**

- (1) *The Treasury may make payments into the House of Commons Members' Fund.*
- (2) The amount paid in a financial year shall not exceed £215,000.
- (3) In determining whether to make a payment the Treasury shall have regard to— 25
- (a) the state of the Fund, and
  - (b) the trustees' opinion as to whether a payment is required in order to allow the Fund to meet present or expected future demands.
- (4) *The trustees may surrender to the Treasury amounts which in the trustees' opinion — 30*
- (a) *are attributable to sums paid to the Fund under subsection (1), and*
  - (b) *are not required in order to allow the Fund to meet present or expected future demands.*
- (5) *Payments under subsection (1) shall be paid out of money provided by Parliament.*
- (6) *Payments under subsection (4) shall be paid into the Consolidated Fund. 35*
- (7) The Treasury may by order amend the sum specified in subsection (2); and an order—
- (a) shall be made by statutory instrument, and
  - (b) shall be subject to annulment in pursuance of a resolution of the House of Commons. 40

**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 Commons Members’ Fund Act 1939 (c.49)” substitute “specified in section 1 of the House of Commons Members’ Fund Act 2013”. 5
- (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 2013”; 10
- (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 2013 Act”.

**9 Repeals and transitional provision** 15

- (1) 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; 20
- (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.
- (2) The reference in section 7(4)(a) to sums paid under section 7(1) includes a reference to sums paid under section 1 of the House of Commons Members’ Fund Act 1957. 25

**10 Technical provision**

- (1) This Act comes into force at the end of the period of two months beginning with the date of Royal Assent. 30
- (2) This Act extends to the United Kingdom.
- (3) This Act may be cited as the House of Commons Members’ Fund Act 2013.

## SCHEDULE

Section 2(7)

### TRUSTEES' POWERS AND PROCEEDINGS

#### *Property*

- 1 The trustees may accept gifts or bequests.
- 2 The trustees may employ staff and incur any other expenses that they think necessary or expedient. 5
- 3 The trustees' expenses shall be met from the Fund.
- 4 The trustees may invest money forming part of the Fund as they think fit.

#### *Procedure*

- 5 (1) The trustees may act by a majority of those present at a meeting. 10
- (2) The quorum at a meeting of the trustees shall be 3.
- (3) In other respects the trustees shall determine their own procedure.

#### *Confidentiality*

- 6 The trustees must make arrangements to keep confidential the identity of recipients of grants from the Fund. 15

#### *Indemnity*

- 7 (1) Each trustee and former trustee shall be indemnified out of the Fund against any action, claim, cost, losses, damages and expenses arising out of anything done or omitted to be done by the trustee in the performance or purported performance of the trustee's functions. 20
- (2) This subsection shall not apply to acts or omissions that are dishonest, in bad faith or reckless (and the Fund may not be used to buy insurance for such cases).

#### *Accounts and reports*

- 8 The trustees shall make such arrangement for the maintenance and publication of accounts as they think proper (which may include examination by the Comptroller and Auditor-General and laying before the House of Commons). 25
- 9 The trustees may ask the Government Actuary to report to the trustees on the position of the Fund; and the trustees shall make such arrangements for the publication of reports as they think proper (which may include laying before the House of Commons). 30

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## B I L L

To consolidate and amend provisions about the House of Commons Members' Fund.

*Presented by Mr Peter Lilley,  
supported by  
Mr Clive Betts, Mr Brian H. Donohoe,  
Richard Harrington, David Mowat  
and John Thurso.*

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*Ordered, by The House of Commons,  
to be Printed, 16 December 2013.*

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PUBLISHED BY AUTHORITY OF THE HOUSE OF COMMONS  
LONDON – THE STATIONERY OFFICE LIMITED  
Printed in the United Kingdom by  
The Stationery Office Limited  
£x.xx

Bill 145

(xxxxxx)

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