



Parliamentary and other Pensions Act 1972

1972 CHAPTER 48

An Act to make further provision with respect to the contributory pensions scheme for Members of the House of Commons, and to establish a similar scheme for the holders of certain Ministerial and other offices; to make further provision with respect to pensions and related benefits payable to or in respect of persons who have been Prime Minister, Speaker of the House of Commons or Lord Chancellor; to extend the application to Northern Ireland of certain enactments relating to pensions; and for purposes connected with those matters. [27th July 1972]

BE 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:—

PART I

GENERAL PROVISIONS

1 Reconstitution of members' contributory pensions scheme

- (1) The fund constituted in accordance with section 4 of the Act of 1965 under the name of the Members' Contributory Pension Fund shall as from the passing of this Act be known as the Parliamentary Contributory Pension Fund (in this Part of this Act referred to as " the Fund ").
- (2) The following provisions of this Part of this Act shall have effect with respect to the Fund and to contributions to and payments to be made out of the Fund; and, so far as those provisions relate to Members of the House of Commons, they shall have effect in substitution for the provisions of Part II of the Act of 1965.

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- (3) The House of Commons shall have power, by Order of the House, to appoint Trustees of the Fund and to remove any Trustee so appointed.
- (4) The persons who immediately before the passing of this Act are the Trustees appointed under section 4(3) of the Act of 1965 shall by virtue of this subsection be Trustees of the Fund (with or without other Trustees appointed under the last preceding subsection) as if they had been appointed under the last preceding subsection, and shall be removable by Order of the House of Commons accordingly.
- (5) The provisions of Schedule 1 to this Act shall have effect with respect to the number, qualification and proceedings of Trustees of the Fund, the distribution of functions between the Custodian Trustee and the Managing Trustees, and the administration of the Fund.
- (6) All pensions and other sums payable under this Act by the Trustees of the Fund (in the following provisions of this Act referred to as " the Trustees ") shall be paid out of the Fund, and all sums received by the Trustees under this Act shall be paid into the Fund.
- (7) The Trustees may invest any property in their hands, whether at the time in a state of investment or not, in any investments whatsoever and wheresoever and may also from time to time vary any such investments.

2 Voluntary participation by holders of Ministerial and other offices

- (1) In this Part of this Act " qualifying office " means any of the following offices, that is to say—
 - (a) the offices specified in Parts I to IV of Schedule 1 to the Ministerial and other Salaries Act 1972, except the office of Prime Minister and First Lord of the Treasury ;
 - (b) the offices specified in Part I of Schedule 2 to that Act; and
 - (c) the offices of Chairman of Ways and Means, Deputy Chairman of Ways and Means and Chairman of Committees of the House of Lords.
- (2) In respect of any continuous period beginning on or after 1st April 1972 for which a person is—
 - (a) the holder of one and the same qualifying office, or
 - (b) the holder successively of two or more qualifying offices in respect of which the same salary is payable,
 he may elect to be, or not to be, a participant under this section.
- (3) In respect of any such period as is mentioned in subsection (2) of this section (in this Part of this Act referred to as a " period of tenure of a qualifying office ")—
 - (a) if that period began before, or begins on the date of, the passing of this Act, an election by a person not to be a participant under this section must be made by notice in writing given to the Trustees before the end of the period of three months beginning with the passing of this Act, and
 - (b) in any other case, such an election must be made by notice in writing given to the Trustees before the end of the period of three months beginning with the date on which the period of tenure of a qualifying office in question began;
 and any person who, being entitled to make an election under subsection (2) of this section in respect of a period of tenure of a qualifying office, does not give notice in respect of that period in accordance with paragraph (a) or paragraph (b) of this

subsection, shall be deemed to have elected to be a participant under this section in respect of that period.

- (4) In the following provisions of this Act any reference to a period of tenure of a qualifying office for which a person has elected to be a participant under this section shall be construed as including any such period in respect of which, by virtue of subsection (3) of this section, a person is to be deemed to have so elected.

3 Contributions from Parliamentary remuneration

- (1) Subject to the provisions of this section, there shall be deducted from each payment of salary made pursuant to any resolution of the House of Commons relating to the remuneration of Members, being a payment made in respect of any period beginning on or after 1st January 1972, a sum calculated at the rate of the appropriate amount per annum ; and all sums so deducted shall be paid into the Fund.
- (2) For the purposes of the preceding subsection the appropriate amount per annum, in relation to a payment of salary made pursuant to any such resolution as is mentioned in that subsection, is five per cent. of a Member's ordinary salary in accordance with that resolution.
- (3) No sums shall be deducted under this section from salaries payable pursuant to any such resolution to the Speaker of the House of Commons, or to any person who is or has been Prime Minister and First Lord of the Treasury, in respect of any period after the date on which he is or was elected or appointed as such.
- (4) If any salary from which a deduction is required to be made under this section is not drawn, there shall be set aside, out of moneys available for the payment, a sum equal to the relevant deduction, and any sum so set aside shall be dealt with as if it were a sum so deducted.
- (5) Any sums which, under section 5 of the Act of 1965 or pursuant to any resolution of the House of Commons of the present Session, have been deducted from payments of salary for the period, or any part of the period, beginning on 1st January 1972 and ending with the passing of this Act, or set aside out of moneys available for the payment of any such salary, shall, in so far as they would have fallen to be so deducted or set aside under this section if it had been in force at the material time, be treated as sums deducted or set aside under this section ; and any sum so deducted which would not in that event have fallen to be deducted under this section shall be paid to the Member from whose salary it was deducted.
- (6) In this Part of this Act " a Member's ordinary salary " , in relation to any such resolution as is mentioned in subsection (1) of this section,—
- (a) if the resolution provides for salary to be paid at a higher rate to Members other than those who are holders of an office, or in receipt of a salary as holders of an office, of a kind specified or described in the resolution, means a Member's yearly salary at that higher rate, and
 - (b) in any other case, means a Member's yearly salary at the rate specified in the resolution.

4 Contributions from participants under s. 2

- (1) From each payment of salary made to any person for a period of tenure of a qualifying office in respect of which he has elected to be a participant under section 2 of this Act,

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or for any part of such a period, there shall (subject to subsection (4) of this section) be deducted a sum calculated at the rate of the appropriate amount per annum; and all sums so deducted shall be paid into the Fund.

- (2) For the purposes of the preceding subsection the appropriate amount per annum, in relation to a payment of salary made to a person at a time when he is not or was not a Member of the House of Commons, is five per cent. of the annual amount of that salary.
- (3) For the purposes of subsection (1) of this section the appropriate amount per annum, in relation to a payment of salary made to a person at a time when he is or was a Member of the House of Commons, is five per cent. of the difference between—
 - (a) the aggregate of the annual amount of that salary and of the annual amount of the salary which, pursuant to any resolution of the House of Commons relating to the remuneration of Members for the time being in force, is or was payable to him as a Member holding the qualifying office which he then held, and
 - (b) the amount which, in accordance with that resolution, is or was the amount of a Member's ordinary salary.
- (4) No sums shall be deducted under this section from any salary payable to a person who has at any time (whether before or after the passing of this Act) been Prime Minister and First Lord of the Treasury, Speaker of the House of Commons or Lord Chancellor.
- (5) If any salary from which a deduction is required to be made under this section is not drawn, there shall be set aside, out of moneys available for the payment, a sum equal to the relevant deduction, and any sum so set aside shall be dealt with as if it were a sum so deducted.
- (6) In this section (except in subsection (3)(b)) " salary " means salary payable to the holder of a qualifying office in respect of his tenure of that office.

5 Exchequer contributions

- (1) In respect of the year which began on 1st April 1972 (in this section referred to as " the initial date "), and in respect of each year beginning with an anniversary of that date, an Exchequer contribution, of an amount calculated in accordance with the following provisions of this section, shall be paid into the Fund out of moneys provided by Parliament.
- (2) As soon as practicable after the passing of this Act the Government Actuary shall make a report to the Trustees and to the Minister for the Civil Service on the general financial position of the Fund as at the initial date ; and as soon as practicable after the commencement of the period of three years beginning with the third anniversary of the initial date, and of each succeeding period of three years, the Government Actuary shall make a report to the Trustees and to the Minister for the Civil Service on the general financial position of the Fund as at the commencement of the period of three years in which the report is made.
- (3) The first of the reports to be made by the Government Actuary under this section shall include his recommendation as to the annual rate at which Exchequer contributions should be paid under this section; and each subsequent report of the Government Actuary under this section shall include a like recommendation, either—

- (a) continuing in force, for the whole of the period of three years to which the report relates, the recommendation in force immediately before the commencement of that period, or
 - (b) superseding that recommendation by a different recommendation for the whole of that period, or
 - (c) continuing that recommendation in force for the first, or the first and second, of the years comprised in that period and superseding it by a different recommendation for the remainder of that period.
- (4) Any annual rate specified in a recommendation of the Government Actuary under subsection (3) of this section shall be expressed in terms of an amount to be calculated by multiplying aggregate sums deducted from salaries under sections 3 and 4 of this Act by a specified figure ; and in the next following subsection " the specified figure ", in relation to any such year as is mentioned in subsection (1) of this section, means the figure (whether being a whole number or not) specified in such a recommendation which (in accordance with the last preceding subsection) is in force for that year.
- (5) The annual amount of the Exchequer contribution to be paid under this section, in respect of any such year as is mentioned in subsection (1) of this section, shall be an amount calculated by taking the aggregate of the sums deducted from salaries in respect of that year under sections 3 and 4 of this Act and multiplying that aggregate by the specified figure.
- (6) Any reference in this section to sums deducted from salaries under sections 3 and 4 of this Act shall be construed as including a reference to any sum which, by virtue of any provisions of either of those sections, is to be treated as, or dealt with as if it were, a sum deducted thereunder.
- (7) A copy of every report made by the Government Actuary under this section shall be laid before the House of Commons.

6 Reckonable service

- (1) Subject to the next following subsection and to sections 18(6), 21(4) and 22 of this Act, for the purposes of this Act—
- (a) any period before 16th October 1964 during which a person was a Member of the House of Commons, and
 - (b) any period beginning on or after 16th October 1964 during which a person was or is such a Member, whether before or after the passing of this Act,
- is a period of reckonable service as a Member; and in this Part of this Act " aggregate period of reckonable service as a Member ", in relation to a person, means the period, falling within either of the preceding paragraphs, during which he is or was such a Member or (if more than one) the aggregate of such periods.
- (2) For the purposes of the application of the preceding subsection to any person—
- (a) any such period as is mentioned in paragraph (a) of that subsection shall be disregarded unless he was or is a Member of the House of Commons at some time on or after 16th October 1964, whether before or after the passing of this Act, and
 - (b) if his period of service falling within that paragraph, or the aggregate of such periods, exceeds ten years, the excess shall be disregarded.

- (3) Subject to sections 18(6), 21(4) and 22 of this Act, for the purposes of this Act any period which, in the case of a person, is a period of tenure of a qualifying office in respect of which he has elected to be a participant under section 2 of this Act is a period of reckonable service as an office-holder; and in this Part of this Act "aggregate period of reckonable service as an office-holder", in relation to a person, means his period (or, if more than one, the aggregate of his periods) of reckonable service as an office-holder.
- (4) In this Part of this Act "aggregate period of reckonable service (whether as a Member or otherwise)", in relation to a person, means whichever of the following is applicable to him, that is to say, his aggregate period of reckonable service as a Member or his aggregate period of reckonable service as an office-holder, or, if both are applicable to him, means the first-mentioned of those periods together with so much (if any) of the other period as does not coincide with any part of the first-mentioned period.

7 Pensions of Members

- (1) Subject to the provisions of this Act, a person who on or after 1st January 1972 (whether before or after the passing of this Act) has ceased to be a Member of the House of Commons shall be entitled to receive a pension under this section as from the time when the following conditions are or were fulfilled in respect of him, that is to say—
- (a) he is or was neither a Member of that House nor a candidate for election to it;
 - (b) he is not or was not the holder of a qualifying office;
 - (c) his aggregate period of reckonable service (whether as a Member or otherwise) is not or was not less than four years; and
 - (d) he has or had attained the age of sixty-five years.
- (2) No pension shall be payable under this section to a person who has been Prime Minister and First Lord of the Treasury or Speaker of the House of Commons or who is or has been Lord Chancellor.
- (3) Subject to subsection (4) of this section and to sections 8, 11 and 31 of this Act, the annual amount of the pension payable to a person under this section shall be a sum equal to the aggregate of the following amounts, that is to say—
- (a) an amount equal to one-sixtieth of the relevant terminal salary multiplied by the number of complete years comprised in his aggregate period of reckonable service as a Member, and
 - (b) an amount bearing the same proportion to one-sixtieth of the relevant terminal salary as the number of days comprised in that period after the end of the last complete year comprised in it bears to three hundred and sixty-five.
- (4) Where on or after 1st January 1972 (whether before or after the passing of this Act) a person has ceased to be a Member of the House of Commons and the conditions specified in paragraphs (a) to (c) of subsection (1) of this section are fulfilled in relation to him, and he has attained the age of sixty years but has not attained the age of sixty-five years, then if—
- (a) he applies to the Trustees for an immediate pension under this section, and
 - (b) the Trustees are satisfied that he does not intend to stand for re-election to the House of Commons,

he shall be entitled to receive a pension under this section as if he had attained the age of sixty-five years on the date on which he ceased to be a Member of the House of

Commons; but the annual amount of the pension to which he is so entitled, both before and after he attains the age of sixty-five years, shall (subject to sections 8, 11 and 31 of this Act) be an amount calculated in accordance with subsection (3) of this section, reduced by such amount as the Government Actuary determines to be appropriate, having regard to the length of the period beginning with the date on which he ceased to be a Member and ending with the date on which he would attain the age of sixty-five years.

(5) In this section " the relevant terminal salary "—

- (a) in relation to a person who has been a Member of the House of Commons for a period of not less than twelve months, or for two or more periods amounting in the aggregate to not less than twelve months, means the amount of a Member's ordinary salary for the last twelve months (whether continuous or discontinuous) during which that person was a Member of that House, and
- (b) in relation to a person who has been a Member of that House, but whose aggregate period of service as such a Member was less than twelve months, means an amount calculated by taking the aggregate amount of a Member's ordinary salary for the period (whether continuous or discontinuous) for which he was such a Member and multiplying it by the appropriate figure;

and in paragraph (b) of this subsection " the appropriate figure " in relation to a person, means the figure (whether being a whole number or not) by which the number of days comprised in his period of service as a Member of the House of Commons must be multiplied in order to be equal to twelve months.

8 Alternative calculation of pension by reference to Act of 1965

- (1) Where, in the case of a person entitled to receive a pension under section 7 of this Act, the relevant terminal salary (within the meaning of that section) is less than £4,320—
 - (a) there shall be calculated the annual amount of the pension (if any) which would have been payable to him under the repealed enactments if they had not been repealed, and
 - (b) if the amount so calculated exceeds the amount calculated in his case in accordance with section 7(3) of this Act, the annual amount of the pension under section 7 of this Act shall be increased by the amount of the excess.
- (2) In this section " the repealed enactments " means Part II of the Act of 1965 together with the Members' Contributory Pension Fund (Increase of Benefits) Order 1971.

9 Pensions for participants under s. 2

- (1) Subject to the next following subsection, a person who has elected to be a participant under section 2 of this Act in respect of one or more periods of tenure of a qualifying office shall be entitled to receive a pension under this section as from the time when the conditions specified in paragraphs (a) to (d) of section 7(1) of this Act are fulfilled in respect of him.
- (2) No pension shall be payable under this section to person who is or has been Prime Minister and First Lord of the Treasury or Speaker of the House of Commons or Lord Chancellor.
- (3) The same person may be entitled to a pension under section 7 of this Act and to a pension under this section; and the amounts of the two pensions shall be cumulative.

10 Annual amount of pension under s. 9

(1) The provisions of this section shall have effect for the purpose of calculating the annual amount of a pension payable to a person (in this section referred to as " the pensioner ") under section 9 of this Act.

(2) For each year of which the whole or any part was comprised in the pensioner's aggregate period of reckonable service as an office-holder the following amounts shall be calculated, that is to say—

- (a) an amount equal to the sums deducted under section 4 of this Act in respect of that year from the pensioner's salary (within the meaning of that section), and
- (b) an amount equal to five per cent. of the aggregate amount which (in accordance with such one or more resolutions of the House of Commons relating to the remuneration of Members as were in force during the whole or any part of that year) constituted a Member's ordinary salary in respect of that year ;

and for each such year there shall be calculated the amount (in this Part of this Act referred to, in relation to any such year, as " the contribution factor" for that year) which is equal to the amount calculated under paragraph (a) divided by the amount calculated under paragraph (b) of this subsection.

(3) For each such year as is mentioned in subsection (2) of this section a contribution credit shall be calculated by multiplying one-sixtieth of the relevant terminal salary by the amount of the contribution factor for that year; and, subject to the next following subsection and to sections 11 and 31 of this Act, the annual amount of the pension payable to the pensioner under section 9 of this Act shall be an amount equal to the aggregate of the contribution credits calculated under this subsection.

(4) Where, on ceasing to hold a qualifying office at a time when he has attained the age of sixty years but has not attained the age of sixty-five years, a person would be entitled to a pension under section 9 of this Act if he had then attained the last-mentioned age, then if—

- (a) he applies to the Trustees for an immediate pension under that section, and
- (b) the Trustees are satisfied that he does not intend to stand for election to the House of Commons or to accept any further appointment to a qualifying office,

he shall be entitled to receive a pension under that section as if he had attained the age of sixty-five years on the date on which he ceased to hold the qualifying office in question; but the annual amount of the pension to which he is so entitled, both before and after he attains the age of sixty-five years, shall (subject to sections 11 and 31 of this Act) be an amount calculated in accordance with subsections (1) to (3) of this section, reduced by such amount as the Government Actuary determines to be appropriate, having regard to the length of the period beginning with the date on which he ceased to hold that office and ending with the date on which he would attain the age of sixty-five years.

(5) In subsections (2) and (3) of this section " year " means a period of twelve months beginning with 1st April.

(6) In this section " the relevant terminal salary "—

- (a) if the pensioner's aggregate period of reckonable service as an office-holder was not less than twelve months, means the amount of a Member's ordinary

salary for the last twelve months (whether continuous or discontinuous) comprised in that aggregate period of reckonable service, and

- (b) if the pensioner's aggregate period of reckonable service as an office-holder was less than twelve months, means an amount calculated by taking the amount of a Member's ordinary salary for the period (whether continuous or discontinuous) which constituted that aggregate period of reckonable service and multiplying it by the appropriate figure;

and in paragraph (b) of this subsection " the appropriate figure " means the figure (whether being a whole number or not) by which the number of days comprised in the pensioner's aggregate period of reckonable service as an office-holder must be multiplied in order to be equal to twelve months.

11 Commutation of part of pension

- (1) Any person who is entitled to receive a pension under section 7 or section 9 of this Act may, either before, or (subject to subsection (6) of this section) not later than one month after, the first instalment of the pension becomes payable, give notice to the Trustees that he desires to commute such part of the pension as is specified in the notice.

- (2) Where a person has given notice under this section, the Trustees shall determine—
 - (a) what lump sum would be actuarially equivalent to the part of the pension specified in the notice, and
 - (b) what reduction of the annual amount of his pension would be appropriate in consideration of the payment of that lump sum;

and, subject to the following provisions of this section, a lump sum of the amount so determined shall be paid to that person and the annual amount of his pension shall be reduced accordingly.

- (3) Any lump sum or reduction to be determined under subsection (2) of this section shall be a sum or reduction either certified by the Government Actuary, or calculated in accordance with tables to be prepared from time to time by the Government Actuary, as fulfilling the conditions specified in paragraph (a) or paragraph (b) of that subsection, as the case may be.

- (4) If, in the case of any person who has given notice under this section, the amount of the lump sum, determined in accordance with subsections (2) and (3) of this section, would exceed the permitted maximum—

- (a) the amount of the lump sum so determined shall be diminished by such proportion as is necessary to make it equal to the permitted maximum, and
- (b) the reduction of the annual amount of his pension under that subsection shall be diminished by the like proportion.

- (5) For the purposes of subsection (4) of this section the permitted maximum—

- (a) in the case of a person entitled to a pension under section 7 of this Act, is three-eighths of the relevant terminal salary (within the meaning of that section) multiplied by the number of complete years comprised in his aggregate period of reckonable service as a Member, together with an amount bearing the same proportion to three-eighths of that salary as the number of days comprised in that period after the end of the last complete year comprised in it bears to three hundred and sixty-five, and
- (b) in the case of a person entitled to a pension under section 9 of this Act, is three-eighths of the relevant terminal salary (as defined by section 10(6) of

this Act) multiplied by the aggregate of the contribution factors calculated in respect of him under section 10(2) of this Act.

- (6) In relation to a pension to which a person is entitled as from a time before the passing of this Act, the period of one month mentioned in subsection (1) of this section shall be reckoned from the passing of this Act or the date on which the first instalment of the pension becomes payable, whichever is the later.
- (7) No account shall be taken of the provisions of this section for the purposes of section 8(1)(b) of this Act.

12 Duration of pension under s. 7 or s. 9

- (1) Subject to the following provisions of this section, a pension under section 7 or section 9 of this Act shall continue for the life of the person to whom it is payable.
- (2) No such pension shall be payable to a person in respect of any period during which he is a Member of the House of Commons or a candidate for election to that House, or in respect of any part of a period of tenure of a qualifying office.
- (3) For the purposes of this section a person who ceases to be a Member in consequence of the dissolution of Parliament shall be treated as a candidate for election unless and until he gives notice in writing to the Trustees that he is not seeking re-election.

13 Pensions for widows

- (1) Subject to the provisions of this section, the widow of a man who has died on or after 1st January 1972 (whether before or after the passing of this Act) shall be entitled to receive a pension under this section if her late husband, at the time of his death,—
 - (a) was entitled to receive a pension under section 7 or section 9 of this Act, or under both those sections, or
 - (b) was not so entitled, but had an aggregate period of reckonable service (whether as a Member or otherwise) of not less than four years, and either had been a Member of the House of Commons on or after 1st January 1972 or had elected to be a participant under section 2 of this Act in respect of one or more periods of tenure of a qualifying office.
- (2) Subject to section 31 of this Act, the annual amount of a widow's pension under this section shall be one-half of the basic or prospective pension or pensions of her late husband.
- (3) Subject to the next following subsection, a pension payable under this section to a widow shall continue for her life or until her remarriage ; but in the case of remarriage the Trustees may, if they think fit, at any time direct that the pension shall be restored if satisfied that the subsequent marriage has been terminated or that there are exceptional reasons for the payment of the pension notwithstanding the subsistence of that marriage.
- (4) No pension shall be payable under this section to a widow who, at her husband's death, was cohabiting with another person; and if a widow entitled to such a pension cohabits with another person, the pension shall cease to be payable:

Provided that the Trustees may, if they think fit, direct that the pension shall be paid or restored, as the case may be, if satisfied that the cohabitation has been terminated and that there are exceptional reasons for the payment of the pension.

- (5) Where a man dies in circumstances in which, apart from this subsection, a widow's pension would be payable to a woman married by him within the year ending with his death, then if—
- (a) there are no children of that marriage, and
 - (b) it appears to the Trustees that his death within the year was to be foreseen by him at the date of the marriage,
- the Trustees may direct that no widow's pension shall be payable under this section.

14 Pensions for certain widowers

- (1) Subject to the provisions of this section, the widower of a woman who has died on or after 1st January 1972 (whether before or after the passing of this Act) shall be entitled to receive a pension under this section if, at the time of her death, he was incapable by reason of age or bodily or mental infirmity of earning his own living and was wholly or mainly dependent on her, and at that time either—
- (a) she was entitled to receive a pension under section 7 or section 9 of this Act, or under both those sections, or
 - (b) she was not so entitled, but had an aggregate period of reckonable service (whether as a Member or otherwise) of not less than four years and either had been a Member of the House of Commons on or after 1st January 1972 or had elected to be a participant under section 2 of this Act in respect of one or more periods of tenure of a qualifying office.
- (2) Subject to section 31 of this Act, the annual amount of a widower's pension under this section shall be one-half of the basic or prospective pension or pensions of his late wife.
- (3) A pension under this section shall, subject to the following provisions of this section, continue for the life of the widower, but may be terminated by direction of the Trustees in the event of his remarriage or of his ceasing to be incapable as mentioned in subsection (1) of this section.
- (4) A pension terminated under subsection (3) of this section may be restored by direction of the Trustees if at any time the marriage upon which it was terminated comes to an end or the pensioner again becomes incapable as mentioned in subsection (1) of this section, or if the Trustees are satisfied that for exceptional reasons it is proper to restore the pension.
- (5) Subsections (4) and (5) of section 13 of this Act shall apply for the purposes of this section with the necessary modifications.

15 Children's pensions

- (1) Subject to the provisions of this section, a children's pension shall be payable for the benefit of any relevant child or children of a person who has died on or after 1st January 1972 (whether before or after the passing of this Act) and who is or has been married, if at the time of his death the condition specified in paragraph (a) or in paragraph (b) of section 13(1) of this Act is fulfilled in his case.
- (2) Subject to the next following subsection and to section 31 of this Act, the annual amount of a children's pension payable under this section for the benefit of any relevant child or children of a person who has died in the circumstances mentioned in the

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preceding subsection shall be a sum equal to one-eighth of the basic or prospective pension or pensions of the deceased for each relevant child not exceeding four.

- (3) In any of the following circumstances, that is to say—
- (a) where the deceased left no widow or widower, or
 - (b) where the deceased left a widow, or left a widower entitled to a pension under section 14 of this Act, and that widow or widower has died,

the annual amount of the children's pension shall be one-quarter of the basic or prospective pension or pensions of the deceased if there is only one relevant child, or, if there are two or more relevant children, shall be one-half of his basic or prospective pension or pensions.

- (4) Where the deceased left a widow or widower who was (or, apart from the provision as to cohabitation, would have been) entitled to a pension under section 13 or section 14 of this Act, and that pension—
- (a) has ceased to be payable in consequence of the remarriage of the widow or widower, or
 - (b) was not payable, or has ceased to be payable, by reason of the provision as to cohabitation,

any children's pension under this section shall cease to be payable or, as the case may be, shall not be payable unless and until the Trustees for exceptional reasons direct that the children's pension shall be payable; and if the Trustees so direct, they may, if they think fit, further direct that subsection (3) of this section shall apply as if the widow or widower had died.

- (5) A children's pension under this section shall be paid to or distributed between such person or persons as the Trustees may from time to time direct, and shall be applied by that person or those persons, without distinction, for the benefit of the relevant child or relevant children of the deceased or such of them as the Trustees may from time to time direct.

- (6) In this section " child ", in relation to any person, includes an illegitimate child, a stepchild or an adopted child, and " relevant child " (subject to the provisions of Schedule 2 to this Act) means any child of the deceased, or of any wife or husband of the deceased, who—

- (a) is under sixteen years of age, or
- (b) is under twenty-two years of age and is within his period of full-time education as defined by that Schedule, or
- (c) was at the time of the death of the deceased wholly or mainly dependent on the deceased and was at that time and has at all times since been either a person falling within paragraph (a) or paragraph (b) of this subsection or incapable, and likely to remain permanently incapable, by reason of bodily or mental infirmity, of earning his own living, and is not for the time being maintained out of moneys provided by Parliament in a hospital or similar institution so maintained,

and " the provision as to cohabitation " means subsection (4) of section 13 of this Act or that subsection as applied by section 14 of this Act.

16 **Gratuity on death of Member or office-holder**

- (1) Where a person has died on or after 1st January 1972 (whether before or after the passing of this Act)—

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- (a) at a time when he was a Member of the House of Commons, or
 - (b) at a time when he was not a Member of that House, but which brought to an end a period of tenure of a qualifying office in respect of which he had elected to be a participant under section 2 of this Act,
- the Trustees may, if (subject to the next following subsection) they think fit in their discretion to do so, grant to his personal representatives a gratuity under this section.
- (2) No such gratuity shall be granted in respect of a person unless immediately before his death his aggregate period of reckonable service (whether as a Member or otherwise) amounted to not less than twelve months.
 - (3) The amount of a gratuity granted under this section in respect of a person shall be whichever of the two following amounts is the greater, that is to say—
 - (a) the amount of a Member's ordinary salary at the time of his death;
 - (b) the aggregate of the contributions paid by that person,and not refunded to him, together with interest on each such contribution from the date on which it was paid.

17 Gratuity on death after retirement

- (1) Where a person—
 - (a) dies after the passing of this Act in circumstances where he has become entitled to receive a pension under section 7 or section 9 of this Act or under both those sections, or
 - (b) has died on or after 1st January 1972, but before the passing of this Act, in circumstances where, by virtue of either or both of those sections, he is to be treated as having become entitled to receive a pension thereunder,and (in either case) no pension in respect of him is payable under section 13, section 14 or section 15 of this Act, the Trustees may, if they think fit in their discretion to do so, grant to his personal representatives a gratuity under this section.
- (2) For the purpose of determining the amount of a gratuity which may be granted in respect of a person under this section, there shall be calculated—
 - (a) the amount of the gratuity which the Trustees could have granted to his personal representatives under section 16 of this Act if he had died in the circumstances specified in subsection (1) of that section, and
 - (b) the aggregate amount of the payments made to him by way of pension under section 7 or section 9 of this Act together with any lump sum paid to him under section 11 of this Act;and the amount of the gratuity shall be the amount (if any) by which the amount calculated under paragraph (a) exceeds the amount calculated under paragraph (b) of this subsection.

18 Refund of contributions to contributor

- (1) Any contributions paid under section 5 of the Act of 1965 by a person who—
 - (a) ceased to be a Member of the House of Commons before 1st January 1972 and has not been a Member of that House at any time on or after that date, and
 - (b) did not complete ten years' reckonable service within the meaning of Part II of that Act,

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shall at his request (if they have not previously been refunded) be refunded to him by the Trustees, with interest from the dates on which the contributions were paid respectively.

- (2) Any contributions paid by a person, and not previously refunded to him, shall be refunded to him by the Trustees, with interest from the dates on which the contributions were paid respectively, if he requests the Trustees to refund the contributions to him and, on the date of that request, the conditions specified in the next following subsection are fulfilled in relation to him.
- (3) The conditions referred to in subsection (2) of this section are that—
 - (a) either the contributor has ceased to be a Member of the House of Commons on or after 1st January 1972 (whether before or after the passing of this Act) or a period of tenure of a qualifying office in respect of which he has elected to be a participant under section 2 of this Act has come to an end ;
 - (b) he has not at any time since then been a Member of that House or entered upon a period of tenure of a qualifying office in respect of which he elects to be a participant under section 2 of this Act;
 - (c) his aggregate period of reckonable service (whether as a Member or otherwise) does not exceed four years; and
 - (d) he has not become Prime Minister and First Lord of the Treasury, Speaker of the House of Commons or Lord Chancellor after 1st April 1972 (whether before or after the passing of this Act).
- (4) If, after the refund of contributions to him under this section, the contributor becomes, or (as the case may be) again becomes, a person liable to pay contributions under section 3 or section 4 of this Act, he may—
 - (a) if he so desires, and makes the repayment before the end of the period of three months beginning with the date on which he becomes so liable, or
 - (b) after the end of that period, if the Trustees so allow,
 repay to the Trustees the sum so paid to him, with interest from the date on which it was paid to him; and any sum to be paid to the Trustees under this subsection may, if the Trustees so allow, be paid by instalments over such period, not exceeding three years, as the Trustees think fit.
- (5) Any amount (whether of principal or interest) paid by the contributor to the Trustees under subsection (4) of this section shall be treated for the purposes of this section as if it were a contribution paid by him at the time when he makes that payment.
- (6) For the purpose of calculating a person's aggregate period of reckonable service as a Member or a person's aggregate period of reckonable service as an office-holder, no account shall be taken of any period in respect of which contributions paid by that person have been—
 - (a) refunded to him under this section, and
 - (b) not subsequently repaid by him to the Trustees.

19 Refund of contributions after death of contributor

Where a person has died on or after 1st January 1972 (whether before or after the passing of this Act)—

- (a) at a time when he was a Member of the House of Commons, or which brought to an end a period of tenure of a qualifying office in respect of which he had

elected to be a participant under section 2 of this Act, and which (in either case) was a time when his aggregate period of reckonable service (whether as a Member or otherwise) amounted to less than twelve months, or

- (b) in circumstances where the conditions specified in paragraphs (a) to (d) of subsection (3) of section 18 of this Act were fulfilled in relation to him, but where he had not made a request for a refund of contributions under that section,

the Trustees shall refund to his personal representatives the contributions paid by the contributor and not previously refunded to him, with interest from the dates on which the contributions were paid respectively.

20 Application of pensions

- (1) A pension under this Part of this Act or under Part II of the Act of 1965 shall not be assignable or chargeable with debts or other liabilities.
- (2) Section 138 of the Mental Health Act 1959 (which enables pay or pension of a person who is incapacitated by mental disorder from managing his affairs to be applied for the benefit of himself or his dependants instead of being paid to him) shall have effect in relation to any such pension as if it were payable directly out of moneys provided by Parliament.

21 Transfers to other pension schemes

- (1) At the request of any person who—
 - (a) has been, but has ceased to be, a Member of the House of Commons, or
 - (b) has elected to be a participant under section 2 of this Act in respect of a period of tenure of a qualifying office, but has ceased to be such a participant,
 and who (in either case) has not become entitled to a pension under this Part of this Act or under Part II of the Act of 1965, the Trustees may pay into or for the purposes of any fund or scheme to which this section applies sums representing the value of that person's accrued pension rights under this Part of this Act or under Part II of the Act of 1965.
- (2) This section applies—
 - (a) to any scheme which is an exempt approved scheme within the meaning of section 21 of the Finance Act 1970, and
 - (b) to any fund or scheme approved by the Commissioners of Inland Revenue for the purposes of this section.
- (3) For the purposes of this section the value of a person's accrued pension rights under this Part of this Act or under Part II of the Act of 1965 shall be taken to be such sum as for those purposes may be certified by, or calculated in accordance with tables prepared by, the Government Actuary.
- (4) Where any sums are paid by the Trustees under this section in respect of any person, then—
 - (a) for the purpose of calculating that person's aggregate period of reckonable service as a Member, or his aggregate period of reckonable service as an office-holder, no account shall be taken of any period before the date of that payment, and

- (b) for the purposes of sections 18 and 19 of this Act any contributions paid by him before that date shall be treated as not having been paid.

22 Transfers from other pensions schemes

- (1) At the request, made in accordance with the next following subsection, of any person who—

- (a) is for the time being a Member of the House of Commons, or
- (b) is not for the time being a Member of that House, but has elected to be a participant under section 2 of this Act in respect of a period of tenure of a qualifying office,

the Trustees may receive any sums payable by way of transfer value in respect of him out of, or out of moneys held for purposes of, any fund or scheme to which section 21 of this Act applies, or under any enactment for the time being in force which authorises the transfer of pension rights.

- (2) A request made by a person under subsection (1) of this section shall not have effect unless it is made before the end of the period of three months beginning with whichever is the earliest of such one or more of the following dates as are applicable to him, that is to say—

- (a) the date of the passing of this Act, if on that date he is a Member of the House of Commons or that date falls within a period of tenure of a qualifying office in respect of which he elects to be a participant under section 2 of this Act;
- (b) the earliest date (if any) after the passing of this Act on which he is a Member of that House ;
- (c) the earliest date (if any) after the passing of this Act which falls within such a period as is mentioned in paragraph (a) of this subsection.

- (3) Where any sums are received by the Trustees under subsection (1) of this section at the request of a person who is a Member of the House of Commons at the time when the request is made—

- (a) his aggregate period of reckonable service as a Member shall be treated as increased by the addition of such period as may be determined by the Trustees, and
- (b) for the purposes of sections 18 and 19 of this Act the sums so received by the Trustees, so far as in the opinion of the Trustees they represent his own contributory payments, shall be treated as if they were contributions paid by him, at the same times as those contributory payments were made, by deduction from his salary under section 3 of this Act or under Part II of the Act of 1965, as the case may be.

- (4) Where any sums are received by the Trustees under subsection (1) of this section at the request of a person who is not a Member of the House of Commons at the time when the request is made—

- (a) his aggregate period of reckonable service as an office-holder shall be treated as increased by the addition of such period as may be determined by the Trustees, and
- (b) for the purposes of sections 18 and 19 of this Act the sums so received by the Trustees, so far as in the opinion of the Trustees they represent his own contributory payments, shall be treated as if they had been contributions paid by him, at the same times as those contributory payments were made, by deduction from his salary under section 4 of this Act.

- (5) Any period determined by the Trustees under subsection (3)(a) or subsection (4)(a) of this section shall be a period either certified by the Government Actuary as being appropriate in relation to the sums received by the Trustees at the request of the person in question or a period calculated, in accordance with tables prepared by the Government Actuary, as being appropriate in relation to those sums.

23 Service as Member or in qualifying office to be treated as employment for certain pension purposes

For the purposes of section 2 of the Superannuation (Miscellaneous Provisions) Act 1948 (pensions of persons transferring to different employment) a person's service—

- (a) as a Member of the House of Commons, or
- (b) as the holder of a qualifying office during any period of tenure of a qualifying office in respect of which he has elected to be a participant under section 2 of this Act,

shall be treated as employment within the meaning of that Act, whether apart from this section it would fall to be so treated or not.

24 Payments due to deceased persons

- (1) Where on the death of any person there is due to the deceased or his personal representatives from the Trustees a sum which (if any part of it due by way of interest is disregarded) does not exceed £500, probate or other proof of the title of the personal representatives of the deceased may be dispensed with, and the Trustees may pay the whole or any part of that sum to those representatives or to the person, or to or among any one or more of any persons, appearing to the Trustees to be beneficially entitled to the personal or movable estate of the deceased.
- (2) Any person to whom a payment is made under the preceding subsection, and not the Trustees, shall thereafter be liable to account for the amount paid to him under that subsection.
- (3) If the Trustees receive notice in writing of any claim against the estate of the deceased at any time before they have made a full payment under subsection (1) of this section, then, except where the sum to be paid appears to them to be bona vacantia, they shall not make any, or (as the case may be) any further, payment under that subsection to any person other than the personal representatives of the deceased until the claim is satisfied or withdrawn.
- (4) In section 6(1) of the Administration of Estates (Small Payments) Act 1965 (which confers on the Treasury power by order to increase the limit of £500 imposed by certain enactments for purposes similar to the purposes of this section), in paragraph (b), the word " and ", in the first place where it occurs, shall be omitted, and after the words " Ministerial Salaries and Members' Pensions Act 1965 " there shall be inserted the words " and section 24 of the Parliamentary and other Pensions Act 1972 ".

25 Interpretation of Part I

- (1) In this Part of this Act the following expressions have the meanings hereby assigned to them respectively, that is to say—
 - " aggregate period of reckonable service as a Member ",
 - " aggregate period of reckonable service as an office-holder " and
 - " aggregate period of

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reckonable service (whether as a Member or otherwise)" have the meanings assigned to them by section 6 of this Act;

" a Member's ordinary salary " has the meaning assigned to it by section 3(6) of this Act;

" period of tenure of a qualifying office " and " qualifying office " have the meanings assigned to them by section 2 of this Act.

- (2) In this Part of this Act " basic or prospective pension or pensions ", in relation to a person who has died and who at the time of his death was entitled to receive a pension under section 7 or section 9 of this Act, or under both those sections, means the annual amount of that pension calculated in accordance with section 7 or section 10 of this Act, or the aggregate of the annual amounts of those pensions so calculated, as the case may be; and in relation to a person who has died and who had not before his death become entitled to receive a pension under either of those sections, but had at the time of his death an aggregate period of reckonable service (whether as a Member or otherwise) of not less than four years, it means the annual amount specified in whichever of the following paragraphs is applicable in his case, or, if both those paragraphs are applicable, it means the aggregate of the annual amounts specified in those paragraphs, that is to say—
- (a) where the deceased was a Member of the House of Commons at any time on or after 1st January 1972, the annual amount of the pension, calculated in accordance with section 7 of this Act, which he would have been entitled to receive under that section if he had ceased to be a Member of that House immediately before his death and he had then fulfilled the conditions specified in paragraphs (a) to (d) of subsection (1) of that section ;
 - (b) where the deceased had elected to be a participant under section 2 of this Act in respect of one or more periods of tenure of a qualifying office, the annual amount of the pension, calculated in accordance with section 10 of this Act, which he would have been entitled to receive under section 9 of this Act if immediately before his death he had fulfilled the conditions mentioned in the preceding paragraph.

PART II

PRIME MINISTER, SPEAKER AND LORD CHANCELLOR

26 Pensions of Prime Minister and Speaker

- (1) Any person who has (whether before or after the passing of this Act) been appointed Prime Minister and First Lord of the Treasury or elected Speaker of the House of Commons and has after 1st April 1972 (whether before or after the passing of this Act) ceased to be Prime Minister and First Lord of the Treasury, or ceased to be Speaker, as the case may be, shall, subject to the next following subsection, be entitled to receive a pension under this section.
- (2) No pension shall be payable under this section to any person so long as he is in receipt of any salary payable out of the Consolidated Fund or out of the revenues of the Duchy of Lancaster, or so long as he is in receipt of any salary payable out of moneys provided by Parliament other than a salary or allowance payable out of moneys so provided in respect of his membership of the House of Commons.

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- (3) Subject to sections 29 and 31 of this Act, the annual amount of a pension payable to a person under this section in respect of the office of Prime Minister and First Lord of the Treasury shall be £7,500.
- (4) Subject to sections 29 and 31 of this Act, the annual amount of a pension payable to a person under this section in respect of the office of Speaker of the House of Commons shall be £6,500.
- (5) Any pension payable under this section shall be charged on and paid out of the Consolidated Fund.

27 Pensions for dependants of Prime Minister or Speaker

- (1) In relation to a person who has held office as Prime Minister and First Lord of the Treasury or as Speaker of the House of Commons at any time after 1st April 1972 (whether before or after the passing of this Act) and has died (whether before or after the passing of this Act) the provisions of sections 13 to 15 of this Act shall (subject to the next following subsection) have effect as if—
 - (a) he had at the time of his death been entitled to receive a pension under section 7 of this Act, and
 - (b) the annual amount of that pension had been an amount calculated (in the case of a person who held office as Prime Minister and First Lord of the Treasury) in accordance with subsection (3), or (in the case of a person who held office as Speaker) in accordance with subsection (4), of section 26 of this Act.
- (2) In the application of any of the provisions of sections 13 to 15 of this Act in accordance with the preceding subsection, any reference to the Trustees shall be construed as a reference to the Minister for the Civil Service.
- (3) Any pension payable under this section shall be charged on and paid out of the Consolidated Fund.
- (4) In this section any reference to an amount calculated in accordance with subsection (3) or subsection (4) of section 26 of this Act shall be construed as a reference to whichever is the greater of the following amounts, that is to say—
 - (a) the amount specified in that subsection, and
 - (b) the amount so specified as increased under section 29 of this Act.

28 Pension of Lord Chancellor

- (1) Subject to sections 29 and 31 of this Act, the annual amount of any pension granted under section 3 of the Lord Chancellor's Pension Act 1832 shall, in the case of a person resigning the office of Lord Chancellor after 1st April 1972 (whether before or after the passing of this Act), be £8,500.
- (2) In accordance with the preceding subsection section 3 of the Lord Chancellor's Pension Act 1832 shall be amended by substituting, for the words " £6,250 of lawful money of Great Britain " and for the words " the sum of £6,250 ", the words " an amount calculated in accordance with subsection (1) of section 28 of the Parliamentary and other Pensions Act 1972 and the provisions (other than this Act) referred to in that subsection."

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- (3) Any Letters Patent issued under that Act before the passing of this Act shall have effect subject to subsection (1) of this section.

29 Preservation of ratio between salary and pension

- (1) For the purposes of the application of section 26, section 27 or section 28 of this Act in relation to a person who ceases to hold an office specified in any of those sections at any time after the passing of this Act when an increased salary is payable in respect of that office, or who dies at any such time, the relevant subsection shall have effect as if, for the amount specified in it, there were substituted an amount calculated in accordance with the following provisions of this section.
- (2) The amount to be so substituted, in relation to the holder of any such office, shall be an amount bearing the same proportion to the amount specified in the relevant subsection as the increased salary payable in respect of that office immediately before he ceases to hold it, or immediately before his death, as the case may be, bears to the present salary.
- (3) In this section—
- (a) in relation to the office of Prime Minister and First Lord of the Treasury or the office of Speaker of the House of Commons, "the present salary" means the salary which under the Ministerial and other Salaries Act 1972 is payable in respect of that office at the passing of this Act; "increased salary", in relation to any time after the passing of this Act, means the salary payable in respect of that office as for the time being increased under section 1(4) of that Act; and "the relevant subsection" means subsection (3) or subsection (4) of section 26 of this Act, as the case may be;
 - (b) in relation to the office of Lord Chancellor, "the present salary" means the aggregate of the salaries which at the passing of this Act are payable to the Lord Chancellor in respect of his tenure of that office and as Speaker of the House of Lords; "increased salary", in relation to any time after the passing of this Act, means the aggregate of those salaries as for the time being increased under section 1(4) of the Ministerial and other Salaries Act 1972; and "the relevant subsection" means subsection (1) of section 28 of this Act.

30 Transfers to Consolidated Fund and refund of contributions

- (1) In respect of any person who has paid contributions (in this section referred to as a "contributor") and who at any time after 1st April 1972 (whether before or after the passing of this Act) has become Prime Minister and First Lord of the Treasury, Speaker of the House of Commons or Lord Chancellor, the Trustees shall pay into the Consolidated Fund such sum as represents the value of his accrued pension rights under Part I of this Act or under Part II of the Act of 1965.
- (2) For the purposes of the preceding subsection the value of a contributor's accrued pension rights under Part I of this Act or under Part II of the Act of 1965 shall be taken to be such sum as for those purposes may be certified by, or calculated in accordance with tables prepared by, the Government Actuary.
- (3) In the case of any contributor who has ceased to hold office as Prime Minister and First Lord of the Treasury, Speaker of the House of Commons or Lord Chancellor at any time after 1st April 1972 (whether before or after the passing of this Act) or has died at any such time while holding any such office, there shall be paid to him, or (as the case may be) to his personal representatives, out of the Consolidated Fund a sum

equal to the aggregate of the contributions paid by him and not previously refunded, with interest from the dates on which the contributions were paid respectively.

PART III

MISCELLANEOUS AND SUPPLEMENTARY

31 Provisions as to Pensions (Increase) Act 1971

(1) In relation to any period beginning on or after 1st December 1972, Schedule 2 to the Pensions (Increase) Act 1971 (which specifies the pensions referred to in that Act as "official pensions") shall be amended by inserting, after paragraph 3 of that Schedule, the following paragraph: —

“3A A pension payable under Part II of the Ministerial Salaries and Members' Pensions Act 1965 or under Part I of the Parliamentary and other Pensions Act 1972.”

(2) That Schedule shall also be amended as follows, that is to say—

- (a) by inserting at the end of paragraph 1 the words " or under section 26 or section 27 of the Parliamentary and other Pensions Act 1972 (pensions of Prime Minister and Speaker and their dependants) ";
- (b) by inserting at the end of paragraph 2 the words " as amended by section 28 of the Parliamentary and other Pensions Act 1972 "; and
- (c) by inserting at the end of paragraph 3 the words " or (except in respect of any period ending before 1st April 1972) under Mr. Speaker King's Retirement Act 1971 ".

(3) In section 5(3) of the Pensions (Increase) Act 1971 (which confers power to make regulations modifying the provisions of that Act in relation to particular official pensions) the reference to the provisions of that Act shall be construed as including a reference to those provisions as they have effect in consequence of the amendments made by the preceding subsections.

(4) In the preceding provisions of this Act any reference to this section shall be construed as a reference to the provisions of the Pensions (Increase) Act 1971 as amended by this section and as modified by any regulations made under section 5(3) of that Act as read with subsection (3) of this section.

(5) No account shall be taken of the provisions of that Act in calculating any amount in accordance with section 8(1) of this Act or in calculating any amount for the purposes of section 25(2) or section 27(1) of this Act.

32 Annuity premiums of Ministers and other office-holders

(1) In section 229 of the Income and Corporation Taxes Act 1970 (annuity premiums of Ministers and other officeholders) the following subsection shall be substituted for subsection (1): —

“(1) For the purposes of this Chapter so much of any salary which—

- (a) is payable to the holder of a qualifying office who is also a Member of the House of Commons, and

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- (b) is payable for a period in respect of which the holder elects not to be a participant under section 2 of the Parliamentary and other Pensions Act 1972, or for any part of such a period,

as is equal to the difference between a Member's ordinary salary (in accordance with any resolution of the House of Commons relating to the remuneration of Members for the time being in force) and the salary which (in accordance with that resolution) is payable to him as a Member holding that qualifying office shall be treated as remuneration from the office of Member and not from the qualifying office, and shall accordingly be treated for the purposes of section 228(1) to (3) of this Act as pensionable emoluments from the office of Member.

In this subsection 'qualifying office' has the meaning assigned to it by section 2(1) of the Parliamentary and other Pensions Act 1972 and 'Member's ordinary salary' has the meaning assigned to it by section 3(6) of that Act."

- (2) This section shall be deemed to have come into operation on 1st April 1972.

33 Deduction of tax from refunds of contributions

On making any repayment of contributions (including interest on contributions) under section 18 of this Act, the Trustees shall be entitled, if the repayment is made on or after the date on which section 22 of the Finance Act 1970 comes into force, to deduct from the repayment any tax to which they may become chargeable under paragraph 2 of Part II of Schedule 5 to that Act (charge to tax on repayment of employee's contributions).

34 Provisions as to Northern Ireland

- (1) The pensions in relation to which the Pensions (Increase) Act 1971 extends to Northern Ireland shall include pensions payable under Part I of this Act or under Part II of the Act of 1965 ; and accordingly, in section 19(2)(a) of the said Act of 1971, after the words "Parliament of the United Kingdom" there shall be inserted the words "or out of the Parliamentary Contributory Pension Fund".
- (2) The amendments subject to which the Pensions (Increase) Act 1971 has effect in Northern Ireland (whether in relation to the pensions mentioned in the preceding subsection or any other pensions) shall include the amendments made by section 25 of the Superannuation Act 1972; and accordingly, in section 30(5) of the said Act of 1972, after paragraph (e) there shall be inserted the following paragraph:—
“(e) section 25”.
- (3) Section 23 of this Act shall apply in relation to service as a Member of the House of Commons of Northern Ireland as it applies in relation to service as a Member of the House of Commons of the United Kingdom.

35 Interpretation (general)

- (1) In this Act, except in so far as the context otherwise requires, the following expressions have the meanings hereby assigned to them respectively, that is to say—
"the Act of 1965" means the Ministerial Salaries and Members' Pensions Act 1965 ;
"the Consolidated Fund" means the Consolidated Fund of the United Kingdom ;

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" contribution ", in relation to a person, means any amount deducted from any salary of his under section 5 of the Act of 1965 or under section 3 or section 4 of this Act (including any sum which, by virtue of any provisions of any of those sections, is to be treated as, or dealt with as if it were, a sum so deducted) and any reference to the payment of a contribution by a person shall be construed accordingly;

" enactment " includes an enactment of the Parliament of Northern Ireland;

" interest " (where the reference is to the payment of any sum with interest) means compound interest at the rate of three per cent. per annum, calculated with annual rests.

- (2) Except in so far as the context otherwise requires, any reference in this Act to an enactment shall be construed as a reference to that enactment as amended or extended by or under any other enactment.

36 Amendments, repeals and savings

- (1) Subject to the following provisions of this section, and without prejudice to any express amendment made by any of the preceding provisions of this Act,—

- (a) the enactments specified in Schedule 3 to this Act shall have effect subject to the amendments specified in that Schedule (being amendments consequential upon the preceding provisions of this Act), and
- (b) the enactments specified in Schedule 4 to this Act are hereby repealed to the extent specified in the third column of that Schedule.

- (2) The repeal effected by the preceding subsection (in this section referred to as " the repeal ") shall not affect the operation of any of the provisions of Part II of the Act of 1965, or of Schedule 2 or Schedule 3 to that Act, in relation to—

- (a) any deduction required by that Act to be made from the salary of any Member of the House of Commons in respect of any period ending before 1st January 1972;
- (b) the payment of any sum required to be paid under section 6 of that Act (Exchequer contributions) in respect of any year ending before 1st April 1972;
- (c) any pension under Part II of the Act of 1965 which has become payable before 1st January 1972 or which, apart from this Act, would become payable to or in respect of a person who ceased to be a Member of the House of Commons before 1st January 1972 and has not been a Member of that House at any time on or after that date (whether before or after the passing of this Act); or
- (d) the payment of any sum which has before 1st January 1972 become payable under section 11 of that Act (refund of contributions) or which, apart from this Act, would become payable under subsection (1)(a) of that section in respect of a person who ceased to be a Member of the House of Commons before 1st January 1972 and has not been a Member of that House at any time on or after that date (whether before or after the passing of this Act).

- (3) The repeal shall not affect the operation—

- (a) of subsections (1) to (3) of section 3 of the Ministerial Salaries Consolidation Act 1965 (pensions of Prime Ministers), or
- (b) of subsection (4) of that section (which relates to dependants of Prime Ministers) or of any provisions of the Act of 1965 as applied by that subsection,

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in relation to any person who held office as Prime Minister and First Lord of the Treasury before 1st April 1972 but has not (whether before or after the passing of this Act) held that office at any time after that date.

- (4) The repeal shall not affect the validity of any rules made by virtue of section 2 of the Superannuation (Miscellaneous Provisions) Act 1948 as modified by subsection (6) of section 13 of the Act of 1965, or as modified by that subsection together with section 12(6) of the Ministerial Salaries and Members' Pensions Act (Northern Ireland) 1965 ; and any such rules shall have effect as if made by virtue of section 2 of the said Act of 1948 as modified by section 23 (or section 23 together with section 34(3)) of this Act, and may be varied or revoked accordingly.

37 Short title

This Act may be cited as the Parliamentary and other Pensions Act 1972.

SCHEDULES

SCHEDULE 1

Section 1.

PARLIAMENTARY CONTRIBUTORY PENSION FUND

General provisions as to Trustees

- 1 The Trustees shall be not more than nine in number, of whom one (being the Public Trustee or a body corporate entitled by rules made under section 4(3) of the Public Trustee Act 1906 to act as custodian trustee) shall be the Custodian Trustee of the Fund and the remainder shall be the Managing Trustees.
- 2 No person shall be appointed to be a Managing Trustee unless he is a Member of the House of Commons, and, on ceasing to be a Member of the House of Commons, a Managing Trustee shall vacate his office.
- 3 The Managing Trustees may act by a majority of those present at any meeting of the Managing Trustees at which a quorum is present.
- 4 The procedure of the Trustees shall, subject to the provisions of this Act, be such as the Trustees may determine ; and the quorum for any meeting of the Managing Trustees shall be three.
- 5 A direction of the Managing Trustees shall continue in force until revoked by a subsequent direction of the Managing Trustees, notwithstanding any changes in the persons who are Managing Trustees and notwithstanding that, by reason of a dissolution of Parliament or for any other reason, there are for the time being no Managing Trustees.

Distribution of functions between Custodian Trustee and Managing Trustees

- 6 All sums payable to or out of the income or capital of the Fund shall be paid to or by the Custodian Trustee, and the assets of the Fund shall be vested in him as if he were sole Trustee.
- 7 The management of the Fund and the exercise of any power or discretion exercisable in relation to it shall be vested in the Managing Trustees.
- 8 As between the Custodian Trustee and the Managing Trustees, the Custodian Trustee shall have the custody of all securities and documents of title relating to the property of the Fund; but the Managing Trustees shall have free access to those securities and documents and be entitled to take copies of them or extracts from them.
- 9 The Custodian Trustee shall concur in and perform all acts necessary to enable the Trustees to exercise their powers of management or any other power or discretion vested in them, unless the matter in which he is requested to concur is a breach of trust or involves a personal liability upon him in respect of calls or otherwise ; but unless he so concurs the Custodian Trustee shall not be liable for any act or default on the part of the Managing Trustees or any of them.

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- 10 The Custodian Trustee, if he acts in good faith, shall not be liable for accepting as correct, and acting upon- the faith of, any statement of the Managing Trustees as to any matter of fact, nor for acting upon any legal advice obtained by the Managing Trustees independently of the Custodian Trustee, nor for acting in accordance with any directions given to him in writing and purporting to be signed by or on behalf of the Managing Trustees.

Administrative provisions

- 11 The Trustees may employ such officers and servants (if any) as they think necessary in connection with the management of the Fund ; and the expenses of managing it, including the fees of the Custodian Trustee, any fee payable to the Comptroller and Auditor General and the remuneration and pensions, or contributions towards the pensions, payable to or in respect of officers and servants employed by the Trustees, shall be defrayed out of the Fund.
- 12 The Custodian Trustee may charge such fees as he is authorised to charge under the Public Trustee Act 1906.
- 13 The Trustees shall keep proper accounts and shall prepare in respect of each financial year of the Fund statements of account in such form and in such manner as the Comptroller and Auditor General may direct.
- 14 The Comptroller and Auditor General shall examine and certify every statement of account prepared under paragraph 13 of this Schedule and shall lay a copy of every such statement, together with his report on it, before the House of Commons.

SCHEDULE 2

Section 15.

PERSONS QUALIFYING FOR CHILDREN'S PENSIONS

- 1 In this Schedule "section 15" means section 15 of this Act, " the deceased " means; the person on whose death a children's pension is or may be payable under section 15, and " child" has the same meaning as in that section.
- 2 For the purposes of section 15 a child shall be treated as within his period of full-time education while—
- (a) he is receiving full-time instruction at any university, college, school or other educational establishment, or
 - (b) he is undergoing full-time or substantially full-time training for any trade, profession or vocation ;
- and any question arising under this paragraph shall be determined by the Trustees.
- 3 A child shall not be treated as a relevant child for the purposes of section 15—
- (a) as being an illegitimate or adopted child of the deceased, if he was born or adopted, as the case may be, after the termination of the marriage or last marriage of the deceased, or
 - (b) as being the child of a wife of the deceased, if he was born or became her child after the termination of her marriage with the deceased,
- unless, in the case of an adopted child falling within sub-paragraph (a) or sub-paragraph (b) of this paragraph, the Trustees, if satisfied that before the material event therein mentioned the deceased (or, as the case may be, the deceased and his wife) had already formed the intention of adopting the child, and that the child

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- was then wholly or mainly dependent on the deceased, direct that the child shall be treated as a relevant child.
- 4 A child shall not be treated as a relevant child for the purposes of section 15 as being—
- (a) the illegitimate child of the deceased, or
 - (b) a child of a wife of the deceased,
- unless the child was Wholly or mainly dependent on the deceased at the time of his death.
- 5 A female child shall not be treated as a relevant child for the purposes of section 15 if, at the date of the death of the deceased, she is married to or cohabiting with another person ; and a female child who thereafter marries or cohabits with another person shall thereupon cease to be a relevant child unless and until the Trustees, being satisfied that the marriage or cohabitation has been terminated and that for exceptional reasons it is proper to do so, direct that she shall be so treated.
- 6 Where the deceased was a woman, no child of any marriage of hers shall be a relevant child for the purposes of section 15 if the father of the child was living at the death of the deceased, unless the Trustees for exceptional reasons direct that the child shall be so treated.

SCHEDULE 3

Section 36.

ENACTMENTS AMENDED

<i>Act</i>	<i>Amendment</i>
The Income and Corporation Taxes Act 1970 (1970 c. 10).	In section 211(2) the following paragraph shall be substituted for (b):— “(b) the fund constituted under section 4(2) of the Ministerial Salaries and Members' Pensions Act 1965, and renamed the Parliamentary Contributory Pension Fund by the Parliamentary and other Pensions Act 1972, and”.
Mr. Speaker King's Retirement Act 1971 (1971 c. 13).	In section 1(2), for the words " Part II of the Ministerial Salaries and Members' Pensions Act 1965 " there shall be substituted the words " Part I of the Parliamentary and other Pensions Act 1972 ".

Status: This is the original version (as it was originally enacted).

SCHEDULE 4

Section 36.

ENACTMENTS REPEALED

Chapter	Short title	Extent of repeal
1965 c. 11.	The Ministerial Salaries and Members' Pensions Act 1965.	The whole Act.
1965 c. 58.	The Ministerial Salaries Consolidation Act 1965.	The whole Act.
1965 c. 61.	The Judges' Remuneration Act 1965.	In section 2, subsection (2). In Schedule 2, the entry relating to the Lord Chancellor's Pension Act 1832.
1965 c. 18 (N.I.).	The Ministerial Salaries and Members' Pensions Act (Northern Ireland) 1965.	In section 12, subsection (6).
1967 c. 28.	The Superannuation (Miscellaneous Provisions) Act 1967.	Section 10.