

**2003 No. 1416**

**PENSIONS**

**The European Parliament (United Kingdom  
Representatives) Pensions (Amendment) Order 2003**

<i>Made</i> - - - - -	<i>2nd June 2003</i>
<i>Laid before Parliament</i>	<i>3rd June 2003</i>
<i>Coming into force</i> - -	<i>25th June 2003</i>

The President of the Council, in exercise of the powers conferred by section 4(1) and (3) of the European Parliament (Pay and Pensions) Act 1979(a) and now vested in him(b) hereby makes the following Order:

**Title, commencement and interpretation**

1.—(1) This Order may be cited as the European Parliament (United Kingdom Representatives) Pensions (Amendment) Order 2003 and shall come into force on 25th June 2003, but articles 4 to 6 shall have effect from 1st April 2001.

(2) In this Order, “the principal Order” means the European Parliamentary (United Kingdom Representatives) Pensions (Consolidation and Amendment) Order 1994(c), and other expressions shall have the same meaning as in the principal Order.

**Amendments to the principal Order**

**Contributions**

- 2.—(1) For paragraph (2) of article 5 in the principal Order, there shall be substituted:—
- “(2) Subject to paragraph (2A) below, for the purposes of paragraph (1) above the appropriate percentage—
- (a) in relation to a payment of salary made in respect of a period beginning on or after 1st April 1992 and ending before 15th July 2002, is 6 per cent; and
  - (b) in relation to a period beginning on or after 15th July 2002,
    - (i) is 9 per cent; or
    - (ii) where a participant opts to contribute at a reduced rate, is 6 per cent.
- “(2A) Where a person who is a Representative on 15th July 2002 so opts, the appropriate percentage—
- (a) in relation to a payment of salary made in respect of a period beginning on or after 1st April 1992 and ending before 5th July 2001, is 6 per cent; and
  - (b) in relation to a period beginning on or after 5th July 2001 is 9 per cent.

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(a) 1979 c. 50; (Section 3 of the European Communities (Amendment) Act 1986 (c. 58) substituted references to the European Parliament for references in Acts to the Assembly of the European Communities).  
(b) See the Transfer of Functions (European Parliamentary Pay and Pensions) Order 1995 (S.I. 1995/2995).  
(c) S.I. 1994/1662, amended by S.I. 1995/2995, S.I. 1996/1493, S.I. 1997/1291.

“(2B) A participant shall make the options referred to in paragraphs (2) and (2A) above by giving notice in writing to the Managers—

- (a) in the case of a participant who is a Representative on 15th July 2002, no later than 31st July 2003, or
- (b) in the case of a participant who has been a Representative but who is not a Representative on 15th July 2002, not more than 3 months after the date of the general election or by-election at which he is next re-elected as a Representative; and
- (c) otherwise not more than three months after the date of the general election or by-election at which he is elected for the first time as a Representative.

“(2C) Where the option referred to in paragraph (2) is exercised in accordance with sub-paragraph (a) of paragraph (2B), the effective date of the option is 15th July 2002; and there shall be repaid to the participant the difference between any contributions deducted from his salary at the rate of 9 per cent since the effective date and the contributions which would have been deducted from it at the rate of 6 per cent.

“(2D) Where the option referred to in paragraph (2) is exercised in accordance with sub-paragraph (b) or (c) of paragraph (2B), the effective date of the option is the date of the election referred to in sub-paragraph (b) or (c); and there shall be repaid to the participant the difference between any contributions deducted from his salary at the rate of 9 per cent since the effective date and the contributions which would have been deducted from it at the rate of 6 per cent.

“(2E) Where the option referred to in paragraph (2A) is exercised, the effective date of the option is 5th July 2001; and the participant shall pay to the Managers within twenty-eight days of the exercise of the option, or within such longer period as the Managers may in their discretion determine, the sum certified by the Managers as being the additional amount which would have been deducted from his salary had contributions been deducted from it at the rate of 9 per cent from the effective date.”.

#### Accrual rate

3.—(1) For paragraph (11A) of article 7 in the principal Order, there shall be substituted:—

“(11A) In paragraph (2) of this article “the appropriate fraction” means—

- (a) in the case of a participant in service on or after 1st April 1995 who has not exercised an option under article 5(2),
  - (i) in the case of a year or part of a year ending before 15th July 2002, one-fiftieth, and,
  - (ii) in the case of a year or part of a year commencing on or after 15th July 2002, one-fortieth; or
- (b) in the case of a participant who has exercised an option under article 5(2A),—
  - (i) in the case of a year or part of a year ending before 5th July 2001, one-fiftieth, and,
  - (ii) in the case of a year or part of a year commencing on or after 5th July 2001, one-fortieth; or
- (c) in the case of a participant who has exercised an option under article 5(2), one-fiftieth.”

(2) After paragraph (12) of article 7, there shall be inserted—

“(12A) For the purposes of paragraph (11A) of this article, in the case of a participant to whom sub-paragraph (a) applies,

- (a) so much of the period commencing on 1st April 2002 and ended with 14th July 2002 as fell within his aggregate period of reckonable service shall be treated as a part of a year in relation to which sub-paragraph (i) of that paragraph applies; and
- (b) so much of the period commencing on 15th July 2002 and ended with 31st March 2003 as fell within his aggregate period of reckonable service shall he treated as a part of a year in relation to which sub-paragraph (ii) of that paragraph applies.

“(12B) For the purposes of paragraph (11A) of this article, in the case of a participant to whom sub-paragraph (b) applies,

- (a) so much of the period commencing on 1st April 2001 and ended with 4th July 2001 as fell within his aggregate period of reckonable service shall be treated as a part of a year in relation to which sub-paragraph (i) of that paragraph applies; and
- (b) so much of the period commencing on 5th July 2001 and ended with 31st March 2002 as fell within his aggregate period of reckonable service shall be treated as a part of a year in relation to which sub-paragraph (ii) of that paragraph applies.”.

#### **Qualifying period of reckonable service**

4. For paragraph (2) of article 10 of the principal Order there shall be substituted—

“(2) For the purposes of paragraph (1)(c) of this article, service of a participant as a member of another Parliament, whether rendered before on or after 2nd April 1991, may count towards his qualifying period, provided that any period during which he serves concurrently in more than one Parliament shall count only once.

(3) In paragraph (2) above, Parliament means the European Parliament, the House of Commons, the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly.”.

#### **Pensions for children**

5.—(1) In paragraph (1) of article 14 of the principal Order after the words “who has died” there shall be inserted “before 1st April 2001”.

(2) After paragraph (1) of article 14 of the principal Order there shall be inserted:—

“(1A) Subject to the provisions of this article, a pension shall be payable for the benefit of any relevant child or children of a person who has died on or after 1st April 2001, if at the time of his death the condition specified in sub-paragraph (a) or in sub-paragraph (b) or in sub-paragraph (c) of article 12(2) is fulfilled in his case.”.

(3) In paragraph (3) of article 14 of the principal Order for the word “left” there shall be substituted the words “died before 1st April 2001 leaving”.

(4) Schedule 5 to the principal Order shall be amended as follows:—

(a) after paragraph 1 there shall be added—

“(1A) Paragraphs 3 to 6 of this Schedule apply where the deceased died before 1st April 2001 and paragraphs 7 to 8 apply where the deceased died on or after 1st April 2001”.

(b) before paragraph 3 there shall be inserted the heading:—

**“Where the deceased died before 1st April 2001”**

(c) at the end of the Schedule there shall be added—

**“Where the deceased died on or after 1st April 2001**

7 (1) A child of a former husband or wife, as the case may be, of the deceased shall not be treated as a relevant child for the purposes of Article 14 if he was born or became his or her adopted child after the termination of the marriage.

(2) Notwithstanding sub-paragraph (1) above, the Managers may direct that the adopted child shall be treated as a relevant child if they are satisfied that the deceased and his or her husband or wife before the termination of their marriage already formed the intention of adopting the child and the child was at the time of the deceased’s death wholly dependant on the deceased.

8 Paragraph 4 above shall apply with the insertion after the word “wife” of the words “or husband”.

## **Increase in death in service gratuity**

6. In paragraphs (5) and (6) of article 16 of the principal Order for the word “three” there shall be substituted the word “four”.

2nd June 2003

*John Reid*  
President of the Council

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### **EXPLANATORY NOTE**

*(This note is not part of the Order)*

1. This Order makes various amendments to the pension scheme for United Kingdom Representatives of the European Parliament, made under section 4 of the European Parliament (Pay and Pensions) Act 1979.

2. Articles 2 and 3 increase the accrual rate from fiftieths to fortieths and the contribution rate from 6 per cent to 9 per cent of salary. The changes have effect from 15th July 2002, but Representatives in service on 15th July 2002 have an option to backdate their increased contributions and accrual rate to 5th July 2001. Representatives are also given the option to contribute at the rate of 6 per cent and to accrue their pension in fiftieths.

3. Article 4 amends article 10 in the principal Order to provide that service in the House of Commons, the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly counts towards the qualifying period for an early retirement pension, except where the service is concurrent with membership of the European Parliament.

4. Article 5 amends article 14 and Schedule 5 in the principal Order so that, in the case of participants dying on or after 1st April 2001, all dependant children will receive equal treatment in respect of benefits.

5. Article 6 amends article 16 in the principal Order to increase the lump sum death in service payment from three times annual basic salary to four times annual basic salary.

6. Section 4(3)(g) of the European Parliament (Pay and Pensions) Act 1979 confers express power to make Orders retrospective in effect. Articles 4 to 6 take effect from 1st April 2001.

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