

2007 No. 270

PENSIONS

The Parliamentary Pensions (Amendment) Regulations 2007

Made - - - - *5th February 2007*

Laid before Parliament *9th February 2007*

Coming into force - - *2nd March 2007*

The Leader of the House of Commons, in exercise of the powers conferred by sections 2(1) and 2(4) of the Parliamentary and other Pensions Act 1987(a), with the consent of the Minister for the Civil Service(b), and after consultation with the Trustees of the Parliamentary Contributory Pension Fund and such persons as appeared to him to represent persons likely to be affected by the Regulations, makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These regulations may be cited as the Parliamentary Pensions (Amendment) Regulations 2007.

(2) These Regulations come into force on 2nd March 2007.

(3) Paragraph (4) and regulations 2 to 4 have effect from 6th April 2006.

(4) In these regulations “the Principal Regulations” means the Parliamentary Pensions (Consolidation and Amendment) Regulations 1993(c).

Commutation for Members and office holders reaching 75 after 5th April 2006

2. The Principal Regulations are amended by inserting after regulation C5A –

“C5B Members of the House of Commons and office holders reaching 75 after 5th April 2006

(1) This regulation applies to any person whose 75th birthday falls after 5th April 2006 and who immediately before the relevant date –

- (a) is a participating Member or a participating office holder, and
- (b) would be entitled to receive a pension under regulation F1 or F3 if he had ceased to be a participant, a Member of the House of Commons and an office holder.

(2) The person may opt under this regulation not to remain a participant in the principal scheme on and after the relevant date.

(a) 1987 c.45

(b) See article 3 of, and the Schedule to, the Transfer of Functions (Treasury and Minister for the Civil Service) Order 1995 (S.I. 1995/269).

(c) S.I. 1993/3253, amended by S.I. 2001/835 and S.I. 2006/920; there are other amending instruments but none is relevant.

(3) The option must be exercised by notice in writing given to the Trustees at least six months before the relevant date or on such later date before he reaches the age of 75 as the Trustees allow.

(4) A person who exercises the option under this regulation –

- (a) ceases to be a participant on the relevant date,
- (b) is treated for the purposes of these Regulations (except regulation F8) as if he ceased to be a Member of the Commons and an office holder on the relevant date (and accordingly is entitled under regulations F1 and F3 to receive the pension to which he would be entitled if he had so ceased, but subject to regulation F8), and
- (c) is treated for the purposes of regulation G1 as having given notice under regulation G1(1) of his desire to commute into a lump sum such part of the pension as is specified in the notice under this regulation.

(5) In this regulation “the relevant date” in respect of a person is the day before that person’s 75th birthday.”.

Duration of pensions

3. Regulation F8(2) of the Principal Regulations is amended by inserting “regulation F7 and” after “Subject to”.

Death benefits: members’ pension guarantees

4.—(1) Part M of the Principal Regulations is amended as follows.

(2) In regulations M2(4), M2(5)(b), M3(3), M4(4), M5(6), M5A(1)(a), M5A(6) and M7(3) and in the heading of regulation M5A insert “or C5B” after “regulation C5A”.

(3) In regulation M5A(8) for the definition of “the assumed L1 gratuity” substitute –

““the assumed L1 gratuity” means the gratuity that the Trustees could have granted the pensioner Member’s personal representatives under regulation L1 if he had died immediately before –

- (a) in the case of a pensioner Member who exercised the option under regulation C5A, 5th April 2006, and
- (b) in the case of a pensioner Member who exercised the option under regulation C5B, the relevant date (as defined in regulation C5B(5)).”.

General provisions as to Trustees

5.—(1) Schedule 1 to the Principal Regulations is amended as follows.

(2) In paragraph 1 for “of whom one” substitute “of whom at least one, but not more than two.”.

(3) In paragraph (2) for “the pensioner Member referred to in paragraph 1” substitute “any pensioner Members”.

5th February 2007

I consent

5th February 2007

Jack Straw
Leader of the House of Commons

Hilary Armstrong
for the Minister for the Civil Service

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Parliamentary Pensions (Consolidation and Amendment) Regulations 1993 (S.I. 1993/3253) (“the Principal Regulations”), which were made under the Parliamentary and other Pensions Act 1987 (c.45) (“the 1987 Act”) and set out a pension scheme for Members of Parliament, Ministers and holders of certain offices.

The amendments made by regulations 2 to 4 have effect from 6th April 2006. Section 2(4)(b)(i) of the 1987 Act authorises the making of provisions taking effect from a date earlier than the date the Regulations are made.

Regulation 2 amends the Principal Regulations by inserting a new regulation C5B, which provides an option for persons reaching 75 after 5th April 2006 to opt to cease to be participants and to become entitled to commute their pensions for a lump sum despite continuing in office as Members of the House of Commons or office holders.

Regulation 3 amends regulation F8(2) of the Principal Regulations, which provides for abatement of pension, by making it expressly subject to regulation F7(guaranteed minimum pensions).

Regulation 4 amends part M of the Principal Regulations to extend certain provisions that apply to pensioner members who have opted under regulation C5A (Members of the House of Commons and office holders reaching 75 before 6th April 2006) to pensioner members who have opted under new regulation C5B. Regulation M5A(8) of the Principal Regulations is also amended in relation to pensioner members who have opted under regulation C5A.

Regulation 5 amends Schedule 1 to the Principal Regulations so that up to two of the trustees can be pensioner members.

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