

2009 No. 1920

PENSIONS

The Parliamentary Pensions (Amendment) Regulations 2009

Made - - - - *16th July 2009*

Laid before Parliament *20th July 2009*

Coming into force - - *1st September 2009*

The Leader of the House of Commons makes the following Regulations in exercise of the powers conferred by section 2(1), (2) and (4) of the Parliamentary and other Pensions Act 1987(a).

The Trustees of the Parliamentary Contributory Pension Fund and such persons as appeared to the Leader to represent persons likely to be affected by these Regulations have been consulted about them.

These Regulations are made with the consent of the Minister for the Civil Service(b).

Citation, commencement, interpretation and application

1.—(1) These Regulations may be cited as the Parliamentary Pensions (Amendment) Regulations 2009.

(2) These Regulations come into force on 1st September 2009.

(3) The definition of “the Principal Regulations” in paragraph (5), and regulation 14 have effect from 6th April 2006.

(4) Regulation 11 has effect from 1st October 2008.

(5) In these Regulations—

“office holder” and “participant” have the meanings set out in regulation A2(c) of the Principal Regulations; and

“the Principal Regulations” means the Parliamentary Pensions (Consolidation and Amendment) Regulations 1993(d).

(6) The amendments to the Principal Regulations provided for in regulations 2 to 10, 13 and 15 have effect only in relation to a person who is in service as a Member of the House of Commons or as an office holder on or after 1st September 2009.

(7) The amendments to the Principal Regulations provided for in regulations 2 to 4, 7 to 10, 13 and 15 do not have effect in relation to a person (“P”) who—

(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) The definition of “office holder” in regulation A2 was substituted by regulation 2(h) of S.I. 2004/2416.

(d) S.I. 1993/3253, relevant amending instruments are S.I. 1995/2867, S.I. 1996/2406, S.I. 2001/2649, S.I. 2002/1807, S.I. 2004/2416, S.I. 2005/887, S.I. 2006/920.

- (a) applies for an ill-health pension in accordance with regulation J1(3) of the Principal Regulations and receives notice from the Trustees before 31st May 2009 notifying P that P is entitled to receive an ill-health pension payable from the time specified in P's application, and
- (b) ceases to be a participant at or before the time specified in P's application.

Duration of pensions

2. In paragraph (1) of regulation F8 of the Principal Regulations after "Subject to the following provisions of this regulation" insert "and regulation J6".

Ill-health pensions based on service as a participating Member

3.—(1) Regulation J1 of the Principal Regulations is amended as follows.

(2) For paragraph (2) substitute—

“(2) If on an application under this regulation—

- (a) the applicant (“A”) satisfies paragraph (1)(a);
- (b) A has certified to the Trustees in such form as the Trustees require that A does not intend—
 - (i) to seek re-election to the House of Commons;
 - (ii) to accept any future offer of a qualifying office; or
 - (iii) to accept membership of the House of Lords; and
- (c) the Trustees are satisfied that—
 - (i) A's ceasing to be a participating Member as mentioned in paragraph (1)(a) is a direct consequence of A's ill-health;
 - (ii) A's ill-health is such as would permanently prevent A from performing adequately the duties of a Member of the House of Commons; and
 - (iii) A's ill-health is such as would permanently prevent A from performing any gainful work,

A shall, subject to regulation J6, be entitled to receive an upper-tier ill-health pension as from the material time, payable under regulation F1 and calculated in accordance with paragraph (4).”.

(3) After paragraph (2) insert—

“(2A) If on an application under this regulation—

- (a) the applicant (“A”)—
 - (i) satisfies the requirements of paragraph (1)(b) but not paragraph (1)(a); or
 - (ii) satisfies the requirements of paragraph (1)(a) but not paragraph (2);
- (b) A has certified to the Trustees in such form as the Trustees require that A does not intend—
 - (i) to seek re-election to the House of Commons; or
 - (ii) to accept any future offer of a qualifying office; and
- (c) the Trustees are satisfied that—
 - (i) A's ceasing to be a participating Member as mentioned in paragraph (1)(a) or ceasing to be a participating office holder as mentioned in paragraph (1)(b) is a direct consequence of A's ill-health; and
 - (ii) A's ill-health is such as would permanently prevent A from performing adequately the duties of a Member of the House of Commons,

A shall, subject to regulation J6, be entitled to receive a lower-tier ill-health pension as from the material time, payable under regulation F1 and calculated in accordance with paragraph (4A).”.

(4) For paragraph (3) substitute—

“(3) Where a participant (“P”) would become entitled to make an application under paragraph (1) if, because of ill-health, P were to cease as mentioned in sub-paragraph (a) or (b) of paragraph (1) at a particular time in the future, P may make an application under paragraph (1) before so ceasing, specifying in the application the time when P proposes so to cease.

(3A) Where—

- (a) a participant (“P”) makes an application in accordance with paragraph (3); and
- (b) the Trustees are satisfied that if, because of ill-health, P ceases as mentioned in sub-paragraph (a) or (b) of paragraph (1) at the time specified in the application, P will be entitled under paragraph (2) or (2A) to receive a pension under regulation F1 as from that time,

the Trustees must give P notice in writing to that effect, specifying under which of paragraphs (2) or (2A) entitlement will arise.”.

(5) For paragraph (4) substitute—

“(4) The annual amount of an upper tier ill-health pension payable under regulation F1 to a person (“P”) by virtue of paragraph (2) shall (subject to Part G (Commutation)) be calculated in accordance with regulation F2; but for the purposes of that calculation P’s actual period of reckonable service as a participating Member shall be increased by a period equal to the period between P’s ceasing as mentioned in sub-paragraph (a) of paragraph (1) and the time when P would attain the age of sixty-five years.

(4A) The annual amount of a lower tier ill-health pension payable under regulation F1 to a person by virtue of paragraph (2A) shall (subject to Part G (Commutation)) be calculated in accordance with regulation F2.”.

(6) In paragraph (5)(b) for “for the purpose of that calculation” substitute “for the purpose of calculating an upper tier ill-health pension payable by virtue of paragraph (2)”.

(7) In paragraph (6)(a) and (b), after “if, but only if, he” in each place where it occurs insert “makes an application under this regulation and”.

Ill-health pensions based on service as an office holder

4.—(1) Regulation J2 of the Principal Regulations is amended as follows.

(2) For sub-paragraph (1)(a) substitute—

“(a) ceases to be a participating Member and a participating office holder before attaining the age of sixty-five years; or”.

(3) For paragraph (2) substitute—

“(2) If on an application under this regulation—

- (a) the applicant (“A”) has certified to the Trustees in such form as the Trustees require that A does not intend—
 - (i) to seek election or re-election to the House of Commons; or
 - (ii) to accept any future offer of a qualifying office; and
- (b) the Trustees are satisfied that—
 - (i) A’s ceasing to be a participating Member as mentioned in paragraph (1)(a) or ceasing to be a participating office holder as mentioned in paragraph (1)(b) is a direct consequence of A’s ill-health; and
 - (ii) A’s ill-health is such as would permanently prevent A from performing adequately the duties of a Member of the House of Commons,

A shall, subject to regulation J6, be entitled to receive a lower tier ill-health pension as from the material time, payable under regulation F3 and calculated in accordance with paragraph (4).”.

(4) For paragraph (3) substitute—

“(3) Where a participant (“P”) would become entitled to make an application under paragraph (1) if, because of ill-health, P were to cease as mentioned in sub-paragraph (a) or (b) of paragraph (1) at a particular time in the future, P may make an application under paragraph (1) before so ceasing, specifying in the application the time when P proposes so to cease.

(3A) Where—

- (a) a participant (“P”) makes an application in accordance with paragraph (3); and
- (b) the Trustees are satisfied that if, because of ill-health, P ceases as mentioned in sub-paragraph (a) or (b) of paragraph (1) at the time specified in the application, P will be entitled under paragraph (2) to receive a pension under regulation F3 as from that time,

the Trustees must give P notice in writing to that effect.”.

(5) For paragraph (4) substitute—

“(4) The annual amount of a lower tier ill-health pension payable under regulation F3 by virtue of this regulation shall (subject to Part G (Commutation)) be calculated in accordance with regulation F4.”.

Ill-health pensions for former Members

5.—(1) Regulation J3 of the Principal Regulations is amended as follows.

(2) In paragraph (1)—

- (a) for “retired from gainful work” substitute “permanently ceased to perform gainful work”;
- (b) for “an early pension” substitute “early payment of his pension”; and
- (c) for “he so retired” substitute “he so ceased to perform gainful work”.

(3) For paragraph (2) substitute—

“(2) If on an application under this regulation—

- (a) the applicant (“A”) has certified to the Trustees in such form as the Trustees require that A does not intend—
 - (i) to seek election to the House of Commons; or
 - (ii) to accept any future offer of a qualifying office; and
- (b) the Trustees are satisfied that—
 - (i) A has permanently ceased to perform gainful work as a direct consequence of A’s ill-health; and
 - (ii) A’s ill-health is such as would permanently prevent A from performing adequately the duties of a Member of the House of Commons,

A shall, subject to regulation J6, be entitled to receive a pension under regulation F1 as from the date on which the Trustees are satisfied that A meets the conditions in paragraphs (1) and (2) of this regulation.”.

(4) Omit paragraph (4).

Ill-health pensions for former office holders

6. In regulation J4 of the Principal Regulations for “retired from gainful work” substitute “permanently ceased to perform gainful work”.

Requirement for incapacity for occupation

7. Omit regulation J4A(a) of the Principal Regulations.

Additional provisions relating to ill-health pensions

8. For regulation J5(b) of the Principal Regulations substitute—

“Additional provisions relating to ill-health pensions

J5.—(1) In connection with an application made by a person (“A”) under this Part, the Trustees must consider—

- (a) evidence from a registered medical practitioner that, because of physical or mental impairment—
 - (i) A is incapable of carrying on A’s occupation; or
 - (ii) A is incapable of performing any gainful work, and that A’s incapacity is likely to be permanent; and
- (b) such other evidence as the Trustees consider appropriate.

(2) The Trustees may require A to undergo a medical examination by a registered medical practitioner nominated by them.

(3) Where the Trustees require A to undergo a medical examination, the Trustees may—

- (a) determine whether the fees for that examination must be paid by A or by the Trustees; and
- (b) refuse an application if the applicant refuses to undergo the medical examination.

(4) For the purposes of an application under this Part, the Trustees and the registered medical practitioner, when considering A’s degree of incapacity, may take into account—

- (a) the duties of a Member of Parliament as specified by the Trustees; and
- (b) where A is a participating Member, the location of A’s constituency.

(5) In considering whether A is incapable of carrying on A’s occupation or of performing any gainful work, the Trustees may take account of the views of any registered medical practitioner nominated by them as to the impact of any medical treatment that A could undergo.”.

Ill-health definitions and review of ill-health pensions

9. After regulation J5 of the Principal Regulations insert—

“Ill-health definitions

J5A. In this Part—

“gainful work” means—

- (a) work from which the person concerned gains the whole or a substantial part of the person’s income (ignoring any income received from investments, trusts or other sources not related to work), being work—
 - (i) under a contract of employment,
 - (ii) as the holder of an office, or
 - (iii) as a self-employed person engaged in a business or profession; or

(a) Regulation J4A was inserted by regulation 10(2) of S.I. 2006/920.
(b) Regulation J5 was amended by regulation 10(3) of S.I. 2006/920.

(b) work from which the person concerned would obtain such an income if the person had not waived payment in relation to that work,

and the Trustees may treat voluntary or unpaid work as gainful work if they consider that the duties of that work are equivalent to employment for which the person concerned could obtain an income; and

“permanent” in relation to a situation or condition means that the situation or condition will continue until the applicant attains the age of sixty-five years.

Review of ill-health pensions

J6.—(1) The Trustees may, at such intervals as the Trustees determine, review the continued payment of an ill-health pension in payment to a person (“P”) by virtue of this Part and may reduce that pension to the extent they consider appropriate or terminate that pension if—

(a) in the case of a pension payable by virtue of regulation J1(2), J3(2) or J4 the Trustees are no longer satisfied that P’s ill-health is such as would permanently prevent P from—

- (i) performing adequately the duties of a Member of the House of Commons; or
- (ii) performing any gainful work, or

(b) in the case of a pension payable by virtue of regulation J1(2A) or J2(2), the Trustees are no longer satisfied that P’s ill-health is such as would permanently prevent P from performing adequately the duties of a Member of the House of Commons.

(2) A review may not be carried out under this regulation on or after the date on which P attains the age of sixty-five years.

(3) Where a pension is reduced or terminated under this regulation, the pension payable to P with effect from the date when the reduction or termination applies shall, subject to paragraphs (5) and (7) and regulation F7, be the reduced pension (if any) that the Trustees determine should continue to be payable under paragraph (1).

(4) Paragraph (5) applies where—

- (a) a pension has been reduced or terminated under this regulation, and
- (b) P subsequently fulfils the conditions for payment of a pension by virtue of regulation H1 or H2, including the requirement to apply in writing to the Trustees.

(5) Where this paragraph applies, the amount of pension payable to P from the date of P’s application under regulation H1 or H2 or, if later, such other date as may be specified in the application must be no less than an amount—

- (a) calculated in accordance with regulation H1 or H2, instead of in accordance with this Part; and
- (b) reduced, in such manner as the Government Actuary determines, to take account of any lump sum received by P under Part G at the time of P’s retirement under this Part.

(6) Paragraph (7) applies where—

- (a) a pension has been reduced or terminated under this regulation,
- (b) paragraph (5) does not apply, and
- (c) P subsequently fulfils the conditions for payment of a pension under regulation F1 or F3.

(7) Where this paragraph applies, the amount of pension payable to P from the date on which P fulfils the conditions in regulation F1 or F3 must be no less than an amount—

- (a) calculated in accordance with regulation F2 or F4, instead of in accordance with this Part; and

- (b) reduced, in such manner as the Government Actuary determines, to take account of any lump sum received by P under Part G at the time of P's retirement under this Part.”.

Death in service of participating Member

10. In paragraph (2) of regulation K4(a) of the Principal Regulations for “had by virtue of regulation J1 been entitled to receive a pension” substitute “had by virtue of regulation J1(2) been entitled to receive an upper tier ill-health pension”.

Calculating amounts of transfer value payments

11.—(1) Regulation P5(b) of the Principal Regulations is amended as follows.

(2) In paragraph (1) for “accordance with guidance and tables provided by the Government Actuary to the Trustees for use at the guarantee date” substitute “a manner determined by the Trustees, after consultation with the Government Actuary”.

(3) In paragraph (2) for “preparing those tables the Government Actuary must use such factors as he considers appropriate,” substitute “determining the manner in which the guaranteed cash equivalent transfer value payment is to be calculated, the Trustees must use such assumptions as they consider appropriate, having taken advice from the Government Actuary and”.

Procedure for applying for acceptance of a transfer value payment from another scheme

12. In regulation P8(c) of the Principal Regulations for paragraph (2) substitute—

“(2) An applicant must not make an application relating to—

- (a) a transfer value payment from a personal pension scheme, or
- (b) unless paragraph (3) applies, a transfer value payment relating only to voluntary contribution rights,

if the applicant has paid contributions to the personal pension scheme or towards those voluntary contribution rights after the relevant date.”.

Effect of option to cease contributions by Members with enhanced protection

13. For paragraph (3)(b) of regulation T3(d) of the Principal Regulations substitute—

“(b) if a pension becomes payable to the individual under regulation F1 by virtue of regulation J1 (ill-health pensions based on service as a participating Member) the pension will be calculated as if it were a lower tier ill-health pension under rule J1(2A) and no enhancement will apply to the individual's reckonable service.”.

Maximum pensions

14. In the definition of “retained benefits” in paragraph 1 of Schedule 2(e) of the Principal Regulations after “are derived from a registered pension scheme” insert “, excluding benefits in respect of service or which relate to earnings in respect of service”.

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- (a) Regulation K4(2) was amended by regulation 12(2) of S.I. 2005/887 and regulation 7(1) of S.I. 2006/920.
 - (b) Regulation P5 was substituted, together with regulations P1 to P4 and P6 to P10, for regulations P1 to P6 as originally enacted, by regulation 15(1) and Schedule 1 of S.I. 2006/920.
 - (c) Regulation P8 was substituted, together with regulations P1 to P7 and P9 to P10, for regulations P1 to P6 as originally enacted, by regulation 15(1) and Schedule 1 of S.I. 2006/920.
 - (d) Regulation T3 was inserted by regulation 18(2) of S.I. 2006/920.
 - (e) Relevant amendments were made to Schedule 2 by regulation 2(4) and (5)(b) of S.I. 2006/920.

Purchase of added years in cases of interrupted service

15. In Schedule 6(a) of the Principal Regulations for “regulation J1” in each place where it occurs substitute “regulation J1(2)”.

Review of transitional ill-health pensions

16.—(1) This regulation applies to an ill-health pension payable to a person (“P”) who—

- (a) applies for the pension in accordance with regulation J1(3) of the Principal Regulations and receives notice from the Trustees before 31st May 2009 notifying P that P is entitled to receive the pension from the time specified in P’s application, and
- (b) ceases to be a participant at or before the time specified in P’s application.

(2) The Trustees may, at such intervals as the Trustees determine, review the continued payment of the pension and may reduce the pension to the extent they consider appropriate or terminate the pension if the Trustees are no longer satisfied that P’s ill-health is such as would permanently prevent P from performing adequately the duties of a Member of the House of Commons.

(3) A review may not be carried out under this regulation on or after the date on which P attains the age of sixty-five years.

(4) Where a pension is reduced or terminated under this regulation, the pension payable to P with effect from the date when the reduction or termination applies shall, subject to paragraphs (6) and (8) and regulation F7(b) of the Principal Regulations (guaranteed minimum pensions), be the reduced pension (if any) that the Trustees determine should continue to be payable under paragraph (2).

(5) Paragraph (6) applies where—

- (a) a pension has been reduced or terminated under this regulation, and
- (b) P subsequently fulfils the conditions for payment of a pension by virtue of regulation H1(c) or H2(d) of the Principal Regulations (early retirement for Members of the House of Commons or office holders who have been Members), including the requirement to apply in writing to the Trustees.

(6) Where this paragraph applies, the amount of pension payable to P from the date of P’s application under regulation H1 or H2 of the Principal Regulations or, if later, such other date as may be specified in the application must be no less than an amount—

- (a) calculated in accordance with regulation H1 or H2 of the Principal Regulations, and
- (b) reduced in such manner as the Government Actuary determines, to take account of any lump sum received by P under Part G(e) of the Principal Regulations (commutation) at the time of P’s retirement under Part J(f) of the Principal Regulations (ill-health pensions).

(7) Paragraph (8) applies where—

- (a) a pension has been reduced or terminated under this regulation,
- (b) paragraph (6) does not apply, and
- (c) P subsequently fulfils the conditions for payment of a pension under regulation F1 or F3 of the Principal Regulations (entitlement of pensioner Members and office holders).

(8) Where this paragraph applies, the amount of pension payable to P from the date on which P fulfils the conditions in regulation F1 or F3 of the Principal Regulations must be no less than an amount—

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- (a) Schedule 6 was amended by regulation 3 of S.I. 2006/920.
 - (b) Regulation F7 was substituted by regulation 6 of S.I. 2004/2416.
 - (c) Regulation H1 was amended by regulation 7 of S.I. 2004/2416, regulation 5 of S.I. 2005/887 and regulation 11 of S.I. 2006/920.
 - (d) Regulation H2 was amended by regulation 6 of S.I. 2005/887.
 - (e) Part G was amended by Schedule 1, paragraph 7 of S.I. 2001/2649 and by regulation 5 and Schedule 2 of S.I. 2006/920.
 - (f) Part J was amended by S.I. 2006/920, regulation 10.

- (a) calculated in accordance with regulation F2(a) or F4(b) of the Principal Regulations (amount payable to pensioner Members and office holders), and
- (b) reduced, in such manner as the Government Actuary determines, to take account of any lump sum received by P under Part G of the Principal Regulations at the time of P's retirement under Part J of the Principal Regulations.

Harriet Harman
Leader of the House of Commons

16th July 2009

Tessa Jowell
Minister for the Civil Service

(a) Regulation F2 was amended by regulation 4 of S.I. 1995/2867, regulations 4(1) and 5(1) of S.I. 1996/2406, Schedule 2, paragraph 4 of S.I. 2001/2649 and regulation 3(1), (2) and (3) of S.I. 2002/1807.

(b) Regulation F4 was amended by regulations 4(2) and 5(2) of S.I. 1996/2406, Schedule 1, paragraph 5 of S.I. 2001/2649, and regulation 3(4), (5), (6) and (7) of S.I. 2002/1807.

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.

Regulation 1 provides for citation, commencement, interpretation and application. The Regulations come into force on 1st September 2009. Most of the Regulations make changes to the provisions for payment of ill-health pensions and only apply to persons who are serving as Members of the House of Commons or office holders on or after 1st September 2009. They do not apply to any member who, before 31st May 2009, was granted ill-health retirement under regulation J1(3) with effect from a future date.

Regulation 1(5) (insofar as it inserts a definition of “the Principal Regulations”) and regulation 14 take effect from 6th April 2006. Regulation 11 takes effect from 1st October 2008. 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 regulation F8 of the Principal Regulations, to clarify that the requirement for a pension to continue for the life of the payee is subject to new regulation J6, which provides that an ill-health pension may be terminated or reduced in certain circumstances.

Regulation 3 amends regulation J1 of the Principal Regulations, which sets out the circumstances in which an ill-health pension may be paid in respect of a Member who retires because of ill-health. It also applies where an office holder retires and has accrued a period of past service as a Member. The amendments require an applicant for an ill-health pension to certify certain matters to the Trustees in order to qualify for an ill-health pension. They also put in place a two tier system for ill-health pensions. Where an applicant satisfies the Trustees that he is incapable of any work, he will be entitled to an upper tier ill-health pension, based on service that he would have completed if he had continued working to age 65. Where an applicant satisfies the Trustees that he is unable to perform his duties as an MP because of ill-health, but does not satisfy them that he is incapable of any work, he will be entitled to a lower tier ill-health pension, based on actual, rather than enhanced, service.

Regulation 4 amends regulation J2 of the Principal Regulations to make similar changes to the circumstances in which an ill-health pension is payable in respect of service as an office holder. Service as an office holder only gives rise to entitlement to a lower tier ill-health pension, based on actual service.

Regulation 5 amends regulation J3 of the Principal Regulations in relation to ill-health pensions for former MPs. The eligibility requirements are amended, in line with amendments made to regulations J1 and J2, although there is no system of two tier ill-health pensions for former MPs.

Regulation 6 makes similar amendments to regulation J4 of the Principal Regulations in relation to ill-health pensions for former office holders.

Regulation 7 omits regulation J4A of the Principal Regulations. This was inserted to ensure compliance with the tax simplification regime for pension schemes in the Finance Act 2004 but is not needed as it is covered by other provisions.

Regulation 8 substitutes regulation J5 of the Principal Regulations to clarify what evidence is required in order for the Trustees to be satisfied that a person is eligible for ill-health early retirement.

Regulation 9 inserts two new regulations. Firstly, new regulation J5A sets out definitions of “gainful work” and “permanent” which are used throughout Section J. Secondly, new regulation J6 makes provision for the Trustees to review an ill-health pension payable to a person aged under

65 and terminate or reduce it where they consider that the pensioner no longer satisfies the conditions for payment of that pension (for example because they have recovered).

Regulation 10 makes a consequential change to regulation K4 of the Principal Regulations to reflect the changes made to Section J.

Regulation 11 amends regulation P5, to reflect changes made to the legislation on calculation of pension scheme transfer values, made by the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (S.I. 2008/1050). This amendment takes effect from 1st October 2008, which is when the changes to the transfer value regulations came into force.

Regulation 12 amends regulation P8, to change the circumstances in which an MP or office holder may pay a transfer from a personal pension scheme or a voluntary contribution scheme into the MPs' pension scheme.

Regulation 13 makes a consequential change to regulation T3 of the Principal Regulations which arises as a result of the introduction of a two tier ill-health pension for MPs.

Regulation 14 amends the definition of "retained benefits" in Schedule 2 of the Principal Regulations, which are benefits that are taken into account when calculating the maximum pension payable to a member by the scheme. The amendment clarifies that any benefits financed by the MP's or office holder's salary should not count as retained benefits. This amendment takes effect from 6th April 2006, when the definition of "retained benefits" was previously amended.

Regulation 15 makes a consequential change to Schedule 6 of the Principal Regulations, also to reflect the introduction of a two tier ill-health pension for MPs.

Regulation 16 sets out the provisions that will apply in relation to the pension payable to a member who, before 31st May 2009, was granted ill-health retirement with effect from a future date under regulation J1(3).

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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STATUTORY INSTRUMENTS

2009 No. 1920

PENSIONS

The Parliamentary Pensions (Amendment) Regulations 2009

£5.50