

**2009 No. 3154**

**PENSIONS**

**The Parliamentary Pensions (Amendment) (No 2) Regulations  
2009**

<i>Made</i>	- - - -	<i>1st December 2009</i>
<i>Laid before Parliament</i>		<i>3rd December 2009</i>
<i>Coming into force</i>	- -	<i>1st January 2010</i>

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) (No 2) Regulations 2009.

(2) These Regulations come into force on 1st January 2010 but regulations 2 to 7 have effect from 1st April 2008 and regulations 8 and 9 have effect from 1st April 2009.

(3) In these Regulations—

“participant” has the meaning set out in regulation A2 of the Principal Regulations (as amended by regulation 2(3) of these Regulations); and

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

(4) The amendments to the Principal Regulations provided for in regulations 8 and 9 do not have effect in relation to a person who ceases to be a participant before 1st January 2010.

**Interpretation**

2.—(1) Paragraph (1) of regulation A2 of the Principal Regulations is amended as follows.

(2) After the definition of “basic or prospective pension or pensions” insert—

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(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, 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 and S.I. 2009/1920.

““Category 1 contributor” means—

- (a) in respect of any period beginning on or after 5th July 2001 and ending before 15th July 2002—
  - (i) a participating Member who is a Member of the House of Commons on 15th July 2002; or
  - (ii) a participating office holder who is an office holder on 15th July 2002, who opts, before 1st January 2003, to contribute to the Fund on or after 5th July 2001 at a rate of 9 per cent;
- (b) in respect of any period beginning on or after 15th July 2002 and ending before 1st April 2008—
  - (i) a participating Member; or
  - (ii) a participating office holder, who does not opt, before 1st January 2010, to contribute to the Fund at a reduced rate;
- (c) in respect of any period beginning on or after 1st April 2008 and ending before 1st April 2009—
  - (i) a participating Member who—
    - (aa) does not opt, before 1st January 2010, to contribute to the Fund at a reduced rate and, on or after that date, either does not exercise the option to select a membership category in regulation D1(3A) or exercises that option with effect from a date on or after 1st April 2009; or
    - (bb) exercises the option to select a membership category in regulation D1(3A)(a) and whose qualifying notice specifies that the Member wishes to contribute to the Fund as a Category 1 contributor with effect on and from the later of 1st April 2008 or the date of the participating Member’s election or re-election to the House of Commons; or
  - (ii) a participating office holder who—
    - (aa) does not opt, before 1st January 2010, to contribute to the Fund at a reduced rate and, on or after that date, either does not exercise the option to select a membership category in regulation D2(3A) or exercises that option with effect from a date on or after 1st April 2009; or
    - (bb) exercises the option to select a membership category in regulation D2(3A)(a) and whose qualifying notice specifies that the office holder wishes to contribute to the Fund as a Category 1 contributor with effect on and from the later of 1st April 2008 or the date of the participating office holder’s current appointment as an office holder; and
- (d) in respect of any period beginning on or after 1st April 2009—
  - (i) a participating Member who—
    - (aa) does not opt, before 1st January 2010, to contribute to the Fund at a reduced rate, or on or after that date does not exercise the option to select a membership category in regulation D1(3A); or
    - (bb) exercises the option to select a membership category in regulation D1(3A) and whose qualifying notice specifies that the Member wishes to contribute to the Fund as a Category 1 contributor; or
  - (ii) a participating office holder who—
    - (aa) does not opt, before 1st January 2010, to contribute to the Fund at a reduced rate, or on or after that date does not exercise the option to select a membership category in regulation D2(3A); or

- (bb) exercises the option to select a membership category in regulation D2(3A) and whose qualifying notice specifies that the office holder wishes to contribute to the Fund as a Category 1 contributor;

“Category 2 contributor” means—

- (a) in respect of any period beginning on or after 5th July 2001 and ending before 15th July 2002—
  - (i) a participating Member; or
  - (ii) a participating office holder, who does not opt, before 1st January 2003, to contribute to the Fund on or after 5th July 2001 at a rate of 9 per cent;
- (b) in respect of any period beginning on or after 15th July 2002 and ending before 1st April 2008—
  - (i) a participating Member; or
  - (ii) a participating office holder, who opts, before 1st January 2010, to contribute to the Fund at a reduced rate;
- (c) in respect of any period beginning on or after 1st April 2008 and ending before 1st April 2009—
  - (i) a participating Member who—
    - (aa) opts, before 1st January 2010, to contribute to the Fund at a reduced rate and either has not subsequently exercised the option to select a membership category in regulation D1(3A) or has subsequently exercised that option with effect from a date on or after 1st April 2009; or
    - (bb) exercises the option to select a membership category in regulation D1(3A)(a) and whose qualifying notice specifies that the Member wishes to contribute to the Fund as a Category 2 contributor with effect on and from the later of 1st April 2008 or the date of the participating Member’s election or re-election to the House of Commons; or
  - (ii) a participating office holder who—
    - (aa) opts, before 1st January 2010, to contribute to the Fund at a reduced rate and either has not subsequently exercised the option to select a membership category in regulation D2(3A) or has subsequently exercised that option with effect from a date on or after 1st April 2009; or
    - (bb) exercises the option to select a membership category in regulation D2(3A)(a) and whose qualifying notice specifies that the office holder wishes to contribute to the Fund as a Category 2 contributor with effect on and from the later of 1st April 2008 or the date of the participating office holder’s current appointment as an office holder; and
- (d) in respect of any period beginning on or after 1st April 2009—
  - (i) a participating Member who—
    - (aa) opts, before 1st January 2010, to contribute to the Fund at a reduced rate and has not subsequently exercised the option to select a membership category in regulation D1(3A); or
    - (bb) exercises the option to select a membership category in regulation D1(3A) and whose qualifying notice specifies that the Member wishes to contribute to the fund as a Category 2 contributor; or
  - (ii) a participating office holder who—

- (aa) opts, before 1st January 2010, to contribute to the Fund at a reduced rate and has not subsequently exercised the option to select a membership category in regulation D2(3A); or
- (bb) exercises the option to select a membership category in regulation D2(3A) and whose qualifying notice specifies that the office holder wishes to contribute to the Fund as a Category 2 contributor;

“Category 3 contributor” means—

- (a) in respect of any period beginning on or after 1st April 2008 and ending before 1st April 2009—
  - (i) a participating Member—
    - (aa) who exercises the option in regulation D1(3A)(a) to select a membership category; and
    - (bb) whose qualifying notice specifies that the Member wishes to contribute to the Fund as a Category 3 contributor with effect on and from the later of 1st April 2008 or the date of the participating Member’s election or re-election to the House of Commons; or
  - (ii) a participating office holder—
    - (aa) who exercises the option in regulation D2(3A)(a) to select a membership category; and
    - (bb) whose qualifying notice specifies that the office holder wishes to contribute to the Fund as a Category 3 contributor with effect on and from the later of 1st April 2008 or the date of the participating office holder’s current appointment as an office holder; and
- (b) in respect of any period beginning on or after 1st April 2009—
  - (i) a participating Member who exercises the option to select a membership category in regulation D1(3A) and whose qualifying notice specifies that the Member wishes to contribute to the Fund as a Category 3 contributor; or
  - (ii) a participating office holder who exercises the option to select a membership category in regulation D2(3A) and whose qualifying notice specifies that the office holder wishes to contribute to the Fund as a Category 3 contributor;”.

(3) In the definition of “participant” for “making contributions to the Fund; and may be either” substitute “who is”.

(4) For the definition of “participating Member”(a) substitute—

““participating Member” means a person—

- (a) making contributions to the Fund deducted from his salary as a Member of the House of Commons under regulation D1;
- (b) who is excused from making such contributions because his aggregate period of reckonable service exceeds that which would give rise to the maximum pension allowed in respect of him under the principal scheme; or
- (c) who is excused from making such contributions because regulation D1(3G)(b) applies;”.

(5) For the definition of “participating office holder” substitute—

““participating office holder” means a person—

- (a) making contributions to the Fund deducted from his salary as an office holder; or
- (b) who is excused from making such contributions because regulation D2(3H)(b) applies;”.

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(a) The definition of “participating Member” was amended by S.I. 2004/2416.

### Contributions by participating Members

3. For paragraphs (3) to (3E) of regulation D1(a) of the Principal Regulations substitute—

“(3) For the purposes of paragraph (1) 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; or
- (b) in relation to a period beginning on or after 5th July 2001 and ending before 1st April 2004—
  - (i) in respect of all or any part of such period as a Category 1 contributor is 9 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 6 per cent; or
- (c) in relation to a period beginning on or after 1st April 2004 and ending before 1st April 2008—
  - (i) in respect of all or an part of such period as a Category 1 contributor is 10 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 6 per cent; or
- (d) in relation to a period beginning on or after 1st April 2008 and ending before 1st April 2009—
  - (i) in respect of all or any part of such period as a Category 1 contributor is 10 per cent;
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 6 per cent; or
  - (iii) in respect of all or any part of such period as a Category 3 contributor is 5.5 per cent; or
- (e) in relation to a period beginning on or after 1st April 2009—
  - (i) in respect of all or any part of such period as a Category 1 contributor is 11.9 per cent;
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 7.9 per cent; or
  - (iii) in respect of all or any part of such period as a Category 3 contributor is 5.9 per cent.

(3A) A participating Member who is a Member of the House of Commons on or after 1st January 2010 may exercise the option to select a membership category—

- (a) in the case of a participating Member who is a Member of the House of Commons on 1st January 2010, by giving a qualifying notice to the Trustees no later than 1st April 2010; or
- (b) in the case of a participating Member who is not a Member of that House on 1st January 2010, but who becomes a Member after 1st January 2010, by giving a qualifying notice to the Trustees not more than three months after the date of the General Election or by-election at which the Member is elected or re-elected to membership of the House of Commons.

(3B) In this regulation a qualifying notice is a notice in a form acceptable to the Trustees which—

- (a) is in writing;

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(a) Regulation D1 was amended by S.I. 2002/1807 and S.I. 2005/887.

- (b) is signed by the Member to whom it relates (“M”), at a time when M is a participating Member;
- (c) specifies whether M wishes to contribute to the Fund as a Category 1, Category 2 or Category 3 contributor; and
- (d) if M is a Member of the House of Commons on 1st January 2010, specifies whether M wishes to contribute to the Fund in the membership category selected in sub-paragraph (c) with effect on and from—
  - (i) the later of 1st April 2008 or the date of M’s election or re-election to the House of Commons; or
  - (ii) 1st April 2009.

(3C) Where a Member (“M”) exercises the option in paragraph (3A)(a), the effective date of the option is the date specified in M’s qualifying notice in accordance with paragraph (3B)(d).

(3D) Where a Member (“M”) exercises the option in paragraph (3A)(b), the effective date of the option is the date on which M is elected or re-elected to the House of Commons.

(3E) Where a Member (“M”) does not exercise the option in paragraph (3A)—

- (a) if M is a Member of the House of Commons on 1st April 2008 and was a Category 1 contributor immediately before that date, M continues as a Category 1 contributor on and after that date;
- (b) if M is a Member of the House of Commons on 1st April 2008 and was a Category 2 contributor immediately before that date, M continues as a Category 2 contributor on and after that date;
- (c) if M becomes a Member of the House of Commons on or after 1st April 2008 and before 1st January 2010 and does not opt, before 1st January 2010, to contribute to the Fund at a reduced rate, M is a Category 1 contributor on and from the date when M becomes a Member of the House of Commons;
- (d) if M becomes a Member of the House of Commons on or after 1st April 2008 and before 1st January 2010 and opts, before 1st January 2010, to contribute to the Fund at a reduced rate, M is a Category 2 contributor on and from the date when M becomes a Member of the House of Commons; and
- (e) if M becomes a Member of the House of Commons on or after 1st January 2010, M is a Category 1 contributor on and from the date when M becomes a Member of the House of Commons.

(3F) Paragraph (3G) applies if, as a result of a Member (“M”) exercising the option in paragraph (3A), the contributions deducted from M’s salary on and after the effective date of the option exceed the sums required to be deducted in respect of M under paragraph (1) on and after the effective date of the option.

(3G) If this paragraph applies in respect of a Member (“M”), as soon as reasonably practicable after receiving M’s qualifying notice, the Trustees must—

- (a) calculate the difference (the “Excess”) between—
  - (i) the contributions deducted from M’s salary on and after the effective date of the option; and
  - (ii) the contributions required to be deducted in respect of M under paragraph (1) on and after the effective date of the option; and
- (b) cease deducting contributions from M’s salary under paragraph (1).

(3H) Where the Trustees have ceased deducting contributions under paragraph (3G), they must resume deducting contributions when the amount of the contributions not deducted as a result of paragraph (3G) is equal to the amount of the Excess.

(3I) If a Member ceases to be a participating Member before the amounts referred to in paragraph (3H) are equal, the Trustees must repay the difference to the Member.

(3J) If, as a result of a Member (“M”) exercising the option in paragraph (3A), the contributions deducted from M’s salary on and after the effective date of the option are less than the sums required to be deducted in respect of M under paragraph (1) on and after the effective date of the option, M must pay to the Trustees the sum certified by the Trustees as being the additional amount due to make up M’s contributions to the sums required.

(3K) If paragraph (3J) applies, a Member (“M”) must make the payment referred to in that paragraph within twenty-eight days of the end of any period during which M may exercise the option in paragraph (3A), or within such longer period as the Trustees may in their discretion determine.”.

#### **Contributions by participating office holders**

4. For paragraphs (3) to (3F) of regulation D2(a) of the Principal Regulations substitute—

“(3) For the purposes of paragraph (1) 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; or
- (b) in relation to a period beginning on or after 5th July 2001 and ending before 1st April 2004—
  - (i) in respect of all or any part of such period as a Category 1 contributor is 9 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 6 per cent; or
- (c) in relation to a period beginning on or after 1st April 2004 and ending before 1st April 2008—
  - (i) in respect of all or any part of such period as a Category 1 contributor is 10 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 6 per cent; or
- (d) in relation to a period beginning on or after 1st April 2008 and ending before 1st April 2009—
  - (i) in respect of all or any part of such period as a Category 1 contributor is 10 per cent;
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 6 per cent; or
  - (iii) in respect of all or any part of such period as a Category 3 contributor is 5.5 per cent; or
- (e) in relation to a period beginning on or after 1st April 2009—
  - (i) in respect of all or any part of such period as a Category 1 contributor is 11.9 per cent;
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 7.9 per cent; or
  - (iii) in respect of all or any part of such period as a Category 3 contributor is 5.9 per cent.

(3A) A participating office holder who is an office holder on or after 1st January 2010 may exercise the option to select a membership category—

- (a) in the case of a participating office holder who is an office holder on 1st January 2010, by giving a qualifying notice to the Trustees no later than 1st April 2010; or

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(a) Regulation D2 was amended by S.I. 2002/1807, S.I. 2004/2416, S.I. 2005/887 and S.I. 2006/920.

- (b) in the case of a participating office holder who is not an office holder on 1st January 2010 but who becomes an office holder after 1st January 2010, by giving a qualifying notice to the Trustees not more than three months after the date on which the person is appointed or next appointed as an office holder.

(3B) In this regulation a qualifying notice is a notice in a form acceptable to the Trustees which—

- (a) is in writing;
- (b) is signed by the office holder to whom it relates (“H”), at a time when H is a participating office holder;
- (c) specifies whether H wishes to contribute to the Fund as a Category 1, Category 2 or Category 3 contributor; and
- (d) if H is an office holder on 1st January 2010, specifies whether H wishes to contribute to the Fund in the membership category selected in sub-paragraph (c) with effect on and from—
  - (i) the later of 1st April 2008 or the date of H’s current appointment as an office holder; or
  - (ii) 1st April 2009.

(3C) Where an office holder (“H”) exercises the option in paragraph (3A)(a), the effective date of the option is the date specified in H’s qualifying notice in accordance with paragraph (3B)(d).

(3D) Where an office holder (“H”) exercises the option in paragraph (3A)(b), the effective date of the option is the date of H’s current appointment as an office holder.

(3E) Where an office holder (“H”) does not exercise the option in paragraph (3A)—

- (a) if H is an office holder on 1st April 2008 and was a Category 1 contributor immediately before that date, H continues as a Category 1 contributor on and after that date;
- (b) if H is an office holder on 1st April 2008 and was a Category 2 contributor immediately before that date, H continues as a Category 2 contributor on and after that date;
- (c) if H becomes an office holder on or after 1st April 2008 and before 1st January 2010 and does not opt, before 1st January 2010, to contribute to the Fund at a reduced rate, H is a Category 1 contributor on and from the date when H becomes an office holder;
- (d) if H becomes an office holder on or after 1st April 2008 and before 1st January 2010 and opts, before 1st January 2010, to contribute to the Fund at a reduced rate, H is a Category 2 contributor on and from the date when H becomes an office holder; and
- (e) if H becomes an office holder on or after 1st January 2010, H is a Category 1 contributor on and from the date when H becomes an office holder.

(3F) For any period during which a participating office holder (“H”) is also a participating Member, H is deemed to have exercised the option under paragraph (3A) at the same time and on the same basis as H exercises the equivalent option under regulation D1.

(3G) Paragraph (3H) applies if, as a result of an office holder (“H”) exercising the option in paragraph (3A), the contributions deducted from H’s salary on and after the effective date of the option exceed the sums required to be deducted in respect of H under paragraph (1) on and after the effective date of the option.

(3H) If this paragraph applies in respect of an office holder (“H”), as soon as reasonably practicable after receiving H’s qualifying notice, the Trustees must—

- (a) calculate the difference (the “Excess”) between—



- (i) the contributions deducted from H's salary on and after the effective date of the option; and
- (ii) the contributions required to be deducted in respect of H under paragraph (1) on and after the effective date of the option; and

(b) cease deducting contributions from H's salary under paragraph (1).

(3I) Where the Trustees have ceased deducting contributions under paragraph (3H), they must resume deducting contributions when the amount of the contributions not deducted as a result of paragraph (3H) is equal to the amount of the Excess.

(3J) If an office holder ceases to be a participating office holder before the amounts referred to in paragraph (3I) are equal, the Trustees must repay the difference to the office holder.

(3K) If, as a result of an office holder ("H") exercising the option in paragraph (3A), the contributions deducted from H's salary on and after the effective date of the option are less than the sums required to be deducted in respect of H under paragraph (1) on and after the effective date of the option, H must pay to the Trustees the sum certified by the Trustees as being the additional amount due to make up H's contributions to the sums required.

(3L) If paragraph (3K) applies, an office holder ("H") must make the payment referred to in that paragraph within twenty-eight days of the end of any period during which H may exercise the option in paragraph (3A), or within such longer period as the Trustees may in their discretion determine."

#### **Actual Reckonable Service**

5.—(1) Regulation E1(a) of the Principal Regulations is amended as follows.

(2) In paragraph (1)(b)(ii) after "has made contributions to the Fund" insert "or is excused from making contributions because regulation D1(3G)(b) applies".

(3) In paragraph (2)(b) after "has made contributions to the principal scheme under section 3 of the 1972 Act, or under regulation D1, or under regulation C2(4)" insert "or is excused from making contributions because regulation D1(3G)(b) applies".

(4) In paragraph (3)(b) after "has made contributions to the principal scheme under regulation D1" insert "or is excused from making contributions because regulation D1(3G)(b) applies".

#### **Amount payable to pensioner Members**

6.—(1) Regulation F2(b) of the Principal Regulations is amended as follows.

(2) For paragraph (3) substitute—

"(3) In paragraph (1) of this regulation "the appropriate fraction", in relation to a year or part of a year comprised in a person's aggregate period of reckonable service as a participating Member, means—

- (a) in the case of a year ending before 20th July 1983, one-sixtieth, or, if the period before that date includes a part of a year, a proportionate fraction of one-sixtieth;
- (b) in the case of a year or part of a year beginning on or after 20th July 1983 and ending before 5th July 2001, one-fiftieth;
- (c) in the case of a year or part of a year beginning on or after 5th July 2001 and ending before 1st April 2008—
  - (i) in respect of a Category 1 contributor, one-fortieth; and
  - (ii) in respect of a Category 2 contributor, one-fiftieth; and
- (d) in the case of a year or part of a year beginning on or after 1st April 2008—

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(a) Regulation E1 was amended by S.I. 2006/920.

(b) Regulation F2 was amended by S.I. 1995/2867, S.I. 1996/2406, S.I. 2001/2649 and S.I. 2002/1807.

- (i) in respect of a Category 1 contributor, one-fortieth;
  - (ii) in respect of a Category 2 contributor, one-fiftieth; and
  - (iii) in respect of a Category 3 contributor, one-sixtieth.”.
- (3) Omit paragraphs (3A), (4), (4A) and (4B).

**Amount payable to pensioner office holders**

- 7.—(1) Regulation F4(a) of the Principal Regulations is amended as follows.
- (2) In paragraph (2)(b) omit “or D2(3A)”.
- (3) In paragraph (3A)(a)—
- (a) for “has not made the option referred to in regulation D2(3)” substitute “changes from being a Category 2 contributor to a Category 1 contributor on that date”;
  - (b) for “regulation D2(3)(a) and (b)” substitute “regulation D2(3)(b)(i) and (ii)”;
  - (c) for “regulation F4(5A)(a)” substitute “regulation F4(5)(d)(i) and (ii)”.
- (4) In paragraph (3A)(b)—
- (a) for “has made the option referred to in regulation D2(3A)” substitute “becomes a Category 1 contributor on 5th July 2001”;
  - (b) for “regulation D2(3A)(a) and (b)” substitute “regulation D2(3)(a) and (b)(i)”;
  - (c) for “regulation F4(5A)(b)” substitute “regulation F4(5)(c) and (d)(i)”.
- (5) For paragraph (5) substitute—
- “(5) In paragraph (3) of this regulation “the appropriate fraction” means—
- (a) in relation to the year beginning with 1st April 1982 and previous years, one-sixtieth;
  - (b) in relation to the year beginning with 1st April 1983—
    - (i) in the case of a person who held a qualifying office at some time in the period beginning with 1st April 1983 and ending with 19th July 1983 but did not hold such an office at any time in the period beginning with 20th July 1983 and ending with 31st March 1984, one-sixtieth;
    - (ii) in the case of a person who did not hold such an office at any time in the first of those periods but did hold such an office at some time in the second of those periods, one-fiftieth; and
    - (iii) in the case of a person who held such an office at some time in each of those periods, nineteen-thousandths;
  - (c) in relation to the year beginning with 1st April 1984 and subsequent years up to and including the year beginning with 1st April 2000, and in relation to the part of a year beginning with 1st April 2001 and ending with 4th July 2001, one-fiftieth;
  - (d) in relation to a year or part of a year beginning on or after 5th July 2001 and ending before 1st April 2008—
    - (i) in respect of a Category 1 contributor, one-fortieth; and
    - (ii) in respect of a Category 2 contributor, one-fiftieth; and
  - (e) in relation to a year or part of a year beginning on or after 1st April 2008—
    - (i) in respect of a Category 1 contributor, one-fortieth;
    - (ii) in respect of a Category 2 contributor, one-fiftieth; and
    - (iii) in respect of a Category 3 contributor, one-sixtieth.”.
- (6) Omit paragraph (5A).

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(a) Regulation F4 was amended by S.I. 1996/2406, S.I. 2001/2649 and S.I. 2002/1807.

**Permitted maximum pensions: pensioners who joined before 1st June 1989**

8.—(1) Regulation F5 of the Principal Regulations is amended as follows.

(2) After “except to the extent that it is calculated by reference to so much (if any) of that person’s actual period of reckonable service as a participant as fell after he attained the age of sixty-five years” insert “and before 1st April 2009”.

**Maximum pensions**

9.—(1) Schedule 2 to the Principal Regulations is amended as follows.

(2) In paragraph 4(3)(a) omit “, save that, to the extent that the amount is calculated by reference to that part of the participant’s actual period of reckonable service as a participant as fell after he attained the age of sixty-five years, the overall limit of two-thirds of the multiple may be disregarded”.

**Participants on 1st January 2010 who have paid insufficient contributions**

10.—(1) This regulation applies to a participant who—

- (a) is a participant on 1st January 2010; and
- (b) does not exercise the option to select a membership category pursuant to the amendments to the Principal Regulations made by regulations 3 and 4.

(2) The participant must pay to the Trustees, within such period as the Trustees may in their discretion determine, any sum certified by the Trustees as being the additional amount due to make up the participant’s contributions to the sums required pursuant to the amendments to the Principal Regulations made by regulations 3 and 4.

*Harriet Harman*  
Leader of the House of Commons

*Tessa Jowell*  
Minister for the Civil Service

1st December 2009

## 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), 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 Regulations come into force on 1st January 2010, but regulations 2 to 7 take effect from 1st April 2008 and regulations 8 and 9 take effect from 1st April 2009. 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. Regulations 8 and 9 do not apply in respect of any person who has ceased to participate in the pension scheme before 1st January 2010.

Regulations 2 to 7 provide for the introduction of a new rate at which Members of Parliament and office holders may contribute to the scheme and accrue pension under the scheme. Currently, Members and office holders may pay contributions of 10% of salary to the scheme, and accrue pension at a rate of one-fortieth of final salary for each year of pensionable service, or they may pay contributions of 6% of salary and accrue pension at a rate of one-fiftieth of final salary for each year of pensionable service. With effect from 1st April 2008, these Regulations introduce an option for members to pay contributions of 5.5% of salary in return for a pension accrual rate of one-sixtieth. Members and office holders in service on 1st January 2010 have a one-off option to select whether they wish to accrue pension at the fortieths, fiftieths or sixtieths accrual rate. They can choose whether their selected option takes effect on 1st April 2008 or 1st April 2009 (or, if later, their date of joining the scheme). Members and office holders who join after 1st January 2010 may select their accrual rate when they join.

Regulations 2 to 7 also increase the contributions which Members and office holders are required to pay to the scheme. With effect from 1st April 2009, the 10% contribution rate increases to 11.9%, the 6% contribution rate increases to 7.9% and the 5.5% contribution rate increases to 5.9%.

Regulations 8 and 9 apply the scheme’s maximum pension limit of two-thirds of final salary to all scheme members, in relation to service accrued after 1st April 2009. This will affect Members and office holders who joined the scheme before 1st June 1989 and remain in service after reaching age 65. They will cease to pay contributions and accrue benefits when they reach the maximum pension limit, in the same way as other Members and office holders. This change will not affect benefits accrued before 1st April 2009 or any Member or office holder who leaves service before 1st January 2010.

Regulation 10 provides for the pension scheme trustees to collect additional contributions from Members and office holders who do not exercise the option to reduce their contribution rate as a result of the changes made by regulations 2 to 7.

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

£5.50