



## Factsheet M5 Members Series

Revised May 2010

House of Commons Information Office

# Members' pay, pensions and allowances

### Contents

MPs' Pay	2
<i>Additional Salary for Chairs of Committees</i>	2
<i>Additional Pay for Office Holders</i>	2
<i>Additional salary for Government Ministers</i>	2
MPs' Pensions	3
MPs' Allowances	3
<i>Accommodation Expenses</i>	3
<i>Constituency Office Rental Expenditure (CORE)</i>	3
<i>General Administrative Expenditure</i>	3
<i>Staffing Expenditure</i>	3
<i>Travel Expenditure</i>	3
<i>Winding-Up Allowance and Resettlement Grant</i>	4
<i>Miscellaneous Expenses</i>	4
<i>Short Money</i>	4
The Independent Parliamentary Standards Authority	4
Appendix A: Member's Pay since 1911	5
Appendix B: Staffing Expenditure	6
<i>Staffing Expenditure since its introduction in June 2001</i>	6
<i>Maximum Office Cost Allowance since its introduction in October 1969</i>	6
Appendix C	7
<i>Top Salaries Review Body Reports dealing with Parliamentary remuneration</i>	7
<i>Review Body on Senior Salaries</i>	7
FAQs	8
Further reading	9
Contact information	9

The current annual salary for an MP is £65,738. Some MPs are paid more because of the special positions they hold; for example, the Speaker and MPs who chair certain committees receive an extra salary. MPs who are also ministers in the Government are paid an extra ministerial salary. In addition, MPs receive help with the costs of running an office and employing staff, having somewhere to live in London and in their constituency, and travelling between Parliament and their constituency. A new scheme to cover these expenses for MPs was set up after the 2010 General Election.

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## MPs' Pay

With effect from 1 April 2010, the salary for an MP is **£65,738**. Members of Parliament have not always been paid; until the last century it was not considered to be a 'full-time' job and it was assumed that MPs would have another income. The first regular salary for an MP was set in 1911, at £400 per year.

Agreeing a suitable salary figure for Members of Parliament has not always been straightforward: the role of an MP is unique and cannot easily be compared with other roles in either the public or private sectors. The nature of the job has also changed rapidly in recent decades; simpler methods of communication have led to an increase in constituency work for MPs and the setting up of departmental select committees whose task is to scrutinise government actions has also added to many MPs' workload. Because of this, MPs have needed to employ more administrative staff of their own, whom they also have to manage.

Since 1971, the salary level for MPs has been set by an agreed formula that is based on senior civil service pay bands. This has been subject to an independent review by the Senior Salaries Review Body (SSRB) in the first year of each new Parliament. From the start of the 2010 Parliament, responsibility for parliamentary pay, pensions and MPs' expenses claims was transferred to the Independent Parliamentary Standards Authority (IPSA).

### Additional Salary for Chairs of Committees

In recognition of the considerable amount of extra work and commitment required by chairs of Select Committees an additional salary for that role was agreed in 2003. This was also intended to provide an 'alternative career path' to the traditional route of becoming a government minister, for MPs looking to gain status or influence. The salary payable to the chairmen of select committees in 2010/11 is **£14,582**, in addition to their salary as an MP, and is updated annually, in line with Members' salaries.

In 2005 the additional salary was extended to members of the Chairmen's Panel – a group of around 30 MPs, selected by the Speaker, who chair the Commons public bill committees and the other general committees of the House. Their salary is payable in four tiers, depending on how long they have served on the Panel. The maximum salary available to them is the same as that for Select Committee chairs.

### Additional Pay for Office Holders

The Speaker of the House of Commons and Deputy Speakers, as well as the Leader of the Opposition and Opposition Chief and Deputy Chief Whips are entitled to a salary in addition to their salaries as Members of Parliament. The Speaker currently receives an additional £68,827 (2010/11), which is the same as is paid to a Cabinet Minister in the government.

### Additional salary for Government Ministers

Additional salary details for Government Ministers, including the Prime Minister and the Leader of the Opposition are given in the Factsheet: *Ministerial Salaries*.

## MPs' Pensions

Members of Parliament belong to the parliamentary pension scheme - a final salary scheme with a choice of accrual rates. MPs can choose to contribute at 1/40th, 1/50th or 1/60th. It is a contributory pension with the contribution rates set at 11.9%, 7.9% and 5.9% respectively.

## MPs' Allowances

MPs have also received a number of allowances to enable them to work both in Parliament and in their constituencies. Figures for the allowances claimed by each Member for each year between 2004-05 and 2009-10 can be found on the UK Parliament website:

[www.parliament.uk](http://www.parliament.uk)

**A new scheme to cover MPs' expenses now operates, as regulatory responsibility has transferred to IPSA.** This was in response to widespread criticism of an admitted lack of regulation in the allowances system. More information about the previous scheme is given in *The Green Book: A Guide to Members' Allowances (2009)* which is also available on the UK Parliament website.

The IPSA scheme is outlined below:

### Accommodation Expenses

This allowance will be payable only to non-London Area MPs and, by September 2012, will cover only rent or hotel accommodation plus associated expenses such as utility bills. For 2010/11, Members may claim a maximum of **£19,900** of which only **£17,400** may be claimed for rental payments. MPs choosing not to rent accommodation can claim for hotel accommodation up to £130 per night in the London area or £105 per night elsewhere.

### Constituency Office Rental Expenditure (CORE)

The CORE allowance covers the costs of maintaining one or more constituency office(s) and of providing surgeries. For 2010/11, a maximum of **£12,761** for London Area MPs and **£10,663** for all other MPs may be claimed.

### General Administrative Expenditure

A budget of **£10,394** (per MP) is provided for office equipment, the procurement of services and communication costs.

### Staffing Expenditure

MPs are given an allowance to cover the costs of employing staff to help them perform their parliamentary duties, such as staff salaries and employer's National Insurance Contributions, bonuses and overtime payments, redundancy payments and settlements made at tribunal and court hearings. The maximum staffing expenditure for each MP in 2010/11 is **£109,548**. Under the Scheme, MPs are limited to employing no more than one "connected party" (spouse, family member or business partner), unless arrangements to employ more than one such person were in place when the Scheme came into effect.

### Travel Expenditure

MPs can claim travel allowances in relation to their parliamentary duties. Motor mileage rates are set out in IPSA guidance.

The IPSA Scheme makes provision for travel by Members' staff and family members. It also provides for subsistence expenses in certain circumstances: when travelling and staying away from either home or the London Area as a result of parliamentary functions, expenses for meals can be claimed. Provision is also made for meals and taxi fares when the House sits beyond 7.30pm and 11pm, respectively, and for hotel accommodation when the House sits beyond 11pm (non-London Area MPs) or 1am (any Member).

### **Winding-Up Allowance and Resettlement Grant**

IPSA states that "Winding-Up Expenses are designed to meet the cost of completing the outstanding parliamentary functions of a person who ceases to be a Member of Parliament". Winding –Up expenses are payable for two months after a person ceased to be a Member and are limited to £40,609.

### **Miscellaneous Expenses**

Additional expenses to cover disability assistance, security assistance, insurance and contingency payments are payable subject to various conditions detailed within IPSA guidance.

### **Short Money**

Some money is paid to those political parties represented in Parliament who are not in government. This is to help ensure that the Opposition and minority parties have enough funds to carry out their parliamentary role and to put across their views.

The amount given to each party depends on how many people voted for them at the last general election, and how many of their candidates were elected. In the House of Commons this is known as 'Short Money'.

## **The Independent Parliamentary Standards Authority**

The Independent Parliamentary Standards Authority (IPSA) is a new body created by the Parliamentary Standards Act 2009. Independent of both government and Parliament, IPSA was asked to devise a new scheme of expenses for MPs to help restore public confidence. The scheme was to be based on clear principles of fairness, accountability, honesty and transparency. The scheme was implemented after the General Election at the beginning of the 2010 Parliament.

Enquiries about the work of the Independent Parliamentary Standards Authority can be directed to: IPSA, 7th Floor, Portland House, Bressenden Place, London SW1, Telephone: 020 3334 3999

Email: [info@ipsa.gsi.gov.uk](mailto:info@ipsa.gsi.gov.uk); Website: <http://www.parliamentarystandards.org.uk/index.html>

## Appendix A: Member's Pay since 1911 (a)

Date	Salary £s	Date	Salary £s
August 1911	400	1 April 2006	59,686
October 1931	360	1 Nov 2006	60,277
July 1934	380	1 Apr 2007	61,181 <sup>1</sup>
July 1935	400	1 Nov 2007	61,820 <sup>27</sup>
June 1937	600	1 Apr 2008	63,291
April 1946	1,000	1 Apr 2009	64,766
May 1954 (b)	1,250	1 April 2010	65,738
July 1957	1,750		
October 1964	3,250		
January 1972	4,500		
June 1975	5,750		
June 1976	6,062		
June 1977	6,270		
June 1978	6,897		
June 1979	9,450		
June 1980	11,750		
June 1981	13,950		
June 1982	14,510		
June 1983	15,308		
1 Jan 1984	16,106		
1 Jan 1985	16,904		
1 Jan 1986	17,702		
1 Jan 1987	18,500		
1 Jan 1988	22,548		
1 Jan 1989	24,107		
1 Jan 1990	26,701		
1 Jan 1991	28,970		
1 Jan 1992	30,854		
1 Jan 1993	30,854		
1 Jan 1994	31,687		
1 Jan 1995	33,189		
1 Jan 1996	34,085		
1 July 1996	43,000		
1 April 1997	43,860		
1 April 1998	45,066		
1 April 1999	47,008		
1 April 2000	48,371		
1 April 2001	49,822		
20 June 2001	51,822		
1 April 2002	55,118		
1 April 2003	56,358		
1 April 2004	57,485		
1 April 2005	59,095		

- (a) Staged increases are not shown in this table.
- (b) Including sessional allowance. From May 1954 to July 1957 an allowance of £2 for each day the House sat (except Fridays) was paid to Members. The figure here is based on the average number of sitting days in that period

<sup>1</sup> The annual salary was increased from £60,675 to £61,181 with effect from 1 April 2007, and to £61,820 with effect from 1 Nov 2007 on 24 January 2008.

## Appendix B: Staffing Expenditure

### Staffing Expenditure since its introduction in June 2001

Date	Minimum £s	Maximum £s
Jun 2001	60,000	70,000
Apr 2002	61,980	72,310
Apr 2003	64,304	74,985
Apr 2004	66,458	77,534
Apr 2005		84,081
Apr 2006		87,276
Apr 2007		90,505
Apr 2008		90,854
Apr 2009 (a)		103,812
Apr 2010		109,548

### Maximum Office Cost Allowance since its introduction in October 1969

	£s		£s
Oct 1969	500	Apr 1988	22,588
Jan 1972	1,000	Apr 1989	24,903
Aug 1974	1,750	Apr 1990	27,166
Jun 1975	3,200	Apr 1991	28,986
Jun 1976	3,512	Apr 1992	39,960
Jun 1977	3,687	Apr 1993	40,380
Jun 1978	4,200	Apr 1994	41,308
Jun 1979	4,600	Apr 1995	42,754
Feb 1980	6,750	Apr 1996 (c)	43,908
Aug 1980	8,000	Apr 1996 (d)	46,364
Jun 1981	8,480	Apr 1997	47,568
Jun 1982	8,820	Apr 1998	49,232
Jul 1983	11,364	Apr 1999	50,264
Apr 1984 (b)	12,437	Apr 2000	51,572
Apr 1985	13,211	Apr 2001	52,760
Apr 1986	20,140	Jun 2001	52,760
Apr 1987	21,302	Apr 2002 (e)	53,446

(a) Known as Staffing Allowance 2001-2009.

(b) On 20 July 1984 the House decided by resolution that the allowance be uprated from 1 April each year by the increase in the maximum point of the pay scale (excluding allowances and overtime) for a senior personal secretary in the Civil Service in receipt of Inner London weighting. However, on 16 July 1986 the House rejected the Government recommendation of a 6% increase in Secretarial/Research Allowances, and instead voted for an amendment which raised the base figure for allowances in 1986-87 by over 40%. On 21 July 1987 the allowance became known as the Office Costs Allowance. The allowance was revised from 1 April each year. On 25 July 1991, the Leader of the House, Rt Hon John MacGregor, asked the Top Salaries Review Body to undertake a review of the whole subject of the Office Costs Allowances. The TSRB reported in July 1992, following which the Government recommended an increase in the OCA of just over £4,000, to be assessed on a quarterly basis in the future. On 14 July 1992 the House rejected this and voted instead in favour of an increase of 38%, also to be assessed quarterly. On 13 July 1994, the House voted for a 2.3% increase in the allowance limit effective from 1 April 1994.

(c) As first paid

(d) Increased following a resolution

(e) Office Cost Allowance was abolished in April 2003. Members who served in the previous Parliament could opt to retain their OCA entitlement until then or transfer to the Staffing Allowance as set out above.

## Appendix C

### Top Salaries Review Body Reports dealing with Parliamentary remuneration

1971	1 <sup>st</sup> Report	Cmnd 4836
1972	2 <sup>nd</sup> Report	Cmnd 5001
1974	5 <sup>th</sup> Report	Cmnd 5701
1975	7 <sup>th</sup> Report	Cmnd 6136
1976	8 <sup>th</sup> Report	Cmnd 6574
1977	9 <sup>th</sup> Report	Cmnd 6749
1979	12 <sup>th</sup> Report	Cmnd 7598
1980	13 <sup>th</sup> Report	Cmnd 7825
1980	15 <sup>th</sup> Report	Cmnd 7953
1981	17 <sup>th</sup> Report	Cmnd 8244
1983	20 <sup>th</sup> Report	Cmnd 8881
1985	22 <sup>nd</sup> Report	Cmnd 9525
1987	24 <sup>th</sup> Report	Cm 131
1988	26 <sup>th</sup> Report	Cm 362
1991	31 <sup>st</sup> Report	Cm 1576
1992	32 <sup>nd</sup> Report	Cm 1943
2001	47 <sup>th</sup> Report	Cm 4996
2001	55 <sup>th</sup> Report	Cm 5673
2004	57 <sup>th</sup> Report	Cm 6354
2005	60 <sup>th</sup> Report	Cm 6566
2008	64 <sup>th</sup> Report	Cm 7270-1

### Review Body on Senior Salaries

1996	38 <sup>th</sup> Report	Cm 3330
1997	39 <sup>th</sup> Report	Cm 3540
1998	40 <sup>th</sup> Report	Cm 3837
1999	41 <sup>st</sup> Report	Cm 4245
2000	45 <sup>th</sup> Report	Cm 4567
2001	47 <sup>th</sup> Report	Cm 4996
2001	48 <sup>th</sup> Report	Cm 4997
2002	51 <sup>st</sup> Report	Cm 5389
2003	54 <sup>th</sup> Report	Cm 5718
2004	56 <sup>th</sup> Report	Cm 6099
2005	59 <sup>th</sup> Report	Cm 6451
2006	62 <sup>nd</sup> Report	Cm 6727
2007	63 <sup>rd</sup> Report	Cm 7030
2008	65 <sup>th</sup> Report	Cm 7388
2009	68 <sup>th</sup> Report	Cm 7556
2010	73 <sup>rd</sup> Report	Cm 7804

## FAQs

**What is the annual salary of an MP?** £65,738 as of 1 April 2010

**When did MPs first get an annual salary?** 1911. The first annual salary was £400

**Who sets the levels of MPs' pay and allowances?** Responsibility was transferred to the Independent Parliamentary Standards Authority (IPSA) following the 2010 General Election.

**How can I check my MP's expenses claims?** By contacting the HCIO or looking on Parliament's website at: <http://www.parliament.uk/mpslordsandoffices/finances.cfm>

**Do MPs pay tax on their salary?** Yes. MPs pay the same rates of taxation and National Insurance as any other employed person.

**Do MPs have to pay the congestion charge?** Yes. There is no exemption for MPs.

**How much do Select Committee Chairmen get paid?** £80,319 (including an MP's salary of £65,738) from 1 April 2010.

**How much does the Speaker get paid?** The Speaker is paid at the same rate as a cabinet minister, £134,565 (including an MP's salary of £65,738).

**Do MPs have their own pension scheme?** Yes they do - a final salary scheme with a choice of contribution and accrual rates.



## Further reading

House of Commons  
The Green Book: A guide to Members'  
Allowances  
2009

Peter Alfred Taylor MP  
Payment of Members  
1870

Sydney Baxton MP  
Political Questions of the Day  
1892  
(contains a résumé of then current arguments  
for and against payment of MPs)

Report of the Committee on the Remuneration  
of Ministers and Members of Parliament  
Chairman: Sir G Lawrence  
1964  
Cmnd 2516

## Contact information

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bookshop@parliament.uk

## Factsheet M5 Members' pay, pensions and allowances

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