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**MPs' Pay**

The annual adjustment to MPs' basic pay for 2016-17 will be an increase of 1.3%, **bringing the overall salary to £74,962, as of 1 April 2016**. This is in line with our determination on MPs' pay, published in July 2015, where we committed to adjusting MPs' pay for the rest of this Parliament at the same rate as changes in public sector earnings published by the Office of National Statistics. **The ONS index takes account of promotions and bonuses which may explain why the figure is higher than the 1 per cent wider public sector pay policy.**

Our determination can be viewed on our website: [www.parliamentarystandards.org.uk](http://www.parliamentarystandards.org.uk).

**The Pension Act 2014**

The Act contains provisions to roll out the single-tier state pension. This means the Basic State Pension and the State Second Pension (S2P) (formally SERPS) will be replaced by the Single Tier State Pension for individuals retiring after April 2016. As a member of a public sector pension scheme, MPs were automatically contracted-out of S2P, and so both MPs and IPSA received a reduction in the National Insurance Contributions. MPs (in line with other employees contracted out of S2P) benefited from a 1.4% reduction in their National Insurance contributions.

The legislative changes that take effect on 6 April 2016 mean that contracting-out is ending. As a result, the reduction in MPs' National Insurance contributions will also end, and MPs will see an increase in their National Insurance deductions from April 2016.

Please note that this does not apply to MPs' staff who are in a pension scheme that was not automatically contracted-out of S2P.

## **Year – End guidance**

In January we issued guidance on managing your finances at the end of the financial year. It is essential that you read this guidance in full. In summary, you have 90 days to submit all claims at the end of 2015-16. And you will still have two weeks to resubmit claims if we return them to you asking for additional information.

But:

- **You must submit all claims by 15 April 2016 if you want the sums deducted from your 2015-16 budgets.**
- **All eligible claims submitted after 15 April, and within the 90-day period, will still be paid, but deducted from your 2016-17 budgets.**

In setting these deadlines, we aim both to give you the flexibility of the full 90 days to submit eligible claims, as always, while also allowing IPSA to close its 2015-16 accounts ready for audit by the National Audit Office and parliamentary scrutiny by the Public Accounts Committee. This is in line with the practice adopted by all public bodies in receipt of taxpayers' money.

## **European Referendum Guidance**

Following the Prime Minister's announcement that the EU referendum will be held on 23 June, some MPs have asked what spending related to the referendum will be allowed by IPSA.

We will provide detailed guidance in March, following discussions with the Electoral Commission. For now, as with the Scottish referendum, MPs will be able to state their position on the question on any IPSA-funded websites.

MPs and their staff should note that they cannot use public funds provided by IPSA for activities which are not necessary for the performance of their parliamentary functions. Nor should they use such funds to confer an undue advantage on a political organisation. Both these points are Fundamental Principles of the Scheme.

MPs should also take care not to use funding for any activity which is party political. While addressing the question in the referendum is not party political, criticising members of other political parties for their position would be.

## **Payroll timetable**

The new payroll timetable of cut-off dates is available on our [website](#). This will give you the dates for 2016-17 for submitting any payroll information such as timesheets and new starter forms.

## **IPSA Contact Details**

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