



**Professor Sir Ian Kennedy  
Chair**

4<sup>th</sup> Floor  
30 Millbank  
London SW1P 4DU

[MPs' staff name]  
[MPs' staff email address]

26 November 2014

T 020 7811 6400

Our Ref: BO-1244

E [info@parliamentarystandards.org.uk](mailto:info@parliamentarystandards.org.uk)  
[www.parliamentarystandards.org.uk](http://www.parliamentarystandards.org.uk)

Dear [MPs' staff name]

**REVIEW OF THE MPs' SCHEME OF BUSINESS COSTS AND EXPENSES  
AND CHANGES TO MPs' STAFF PENSION ARRANGEMENTS**

I write to inform you of the launch today of our consultation on our review of the *MPs' Scheme of Business Costs and Expenses* ("the Scheme"). The second half of this letter also tells you about changes to MPs' staff pension arrangements that are coming after the 2015 General Election. It is important that you read this letter.

**Consultation on the Scheme**

This year's consultation focuses on a small number of changes to the Scheme that are necessary ahead of the General Election. We are consulting on changes relating to MPs' staff pensions to ensure that the Scheme complies with pension auto-enrolment legislation; a minor amendment to ensure consistency and clarity regarding subsistence for MPs' staff members; and the requirements on MPs when starting, ending or amending a lease for either rental accommodation or an office, to promote good practice.

We believe that these changes will help to ensure that the rules will remain fair, workable, transparent and in line with new pensions legislation as we move into the new Parliament.

The consultation on the Scheme will be open until 18 January 2015. Copies are available on our [website](#).

I invite you to share your views on the matters set out in this year's consultation. Please send your response to [schemeconsultation@parliamentarystandards.org.uk](mailto:schemeconsultation@parliamentarystandards.org.uk).

You may also send hard copy responses to:

Scheme Consultation Response  
Independent Parliamentary Standards Authority  
4th Floor, 30 Millbank  
London SW1P 4DU

We will publish your response in full, including your name (but not your contact details), unless you ask us not to. We will also publish our analysis of the responses.

Once the consultation has closed, we will analyse all the responses and consider whether changes should be made to the Scheme. We will also review the budget levels. We will publish a new edition of the Scheme in February 2015, which will come into effect on 1 April 2015, with some changes taking effect on 8 May 2015, after the General Election.

### **Automatic Enrolment in workplace pensions for MPs' staff**

Your pension is an important part of your remuneration package. At the moment, all MPs' staff who are employed on a permanent contract (or a temporary one that lasts for longer than three months) are eligible to be enrolled in the Portcullis Pension Plan. On behalf of your MP, we pay an employer's contribution (worth 10% of your pay) into this plan each month. You are not required to make any contribution to the plan yourself, although many of you do.

As you may know, recent legislation requires all employers to automatically enrol eligible workers into a qualifying workplace pension scheme. For members of MPs' staff, such as yourself, the employer is the MP not IPSA. However, as IPSA already administers your payroll and pension deductions, we plan to take on the pension enrolment duties on behalf of MPs. For MPs' staff, these duties will come into effect on 1 March 2016 and we will write to you again in advance of that.

However, we need to make some changes to the Scheme rules now, to ensure that MPs' staff have pension arrangements that comply with the automatic enrolment rules.

The Portcullis Pension Plan cannot, unfortunately, be used as an automatic enrolment scheme under the new legislation. This means that we need to set up another pension plan for the start of the new Parliament. IPSA will do this on behalf of MPs and we will shortly be inviting bids from across the pensions market to provide a new, high-quality and qualifying pension scheme for MPs' staff. We plan to make the selection before Christmas and have the new scheme in place for the new Parliament.

[What does this mean for me?](#)

In the short term, there will be no changes for you. However, if you are employed by an MP after the May 2015 General Election, IPSA (on behalf of your MP) will make a contribution each month worth 10% of your salary into a new pension scheme, rather than the existing Portcullis Plan. The money that you have invested in the Portcullis Pension Plan will remain there, unless you choose to transfer it to the new Scheme, or another pension plan. You will not be required to make personal contributions to the new Scheme, although you will be free to do so if you wish. There is nothing for you to do now, and we will write to you again in the New Year with further details of the new Scheme and the implications for you.

I have other pension arrangements. What will happen to them?

A small number of staff have their employer's 10% contribution made to a pension scheme other than the Portcullis Plan. These arrangements cannot continue in the new Parliament, as they do not comply with the automatic enrolment legislation. If you are employed by an MP after the May 2015 General Election, IPSA (on behalf of your MP) will make a contribution each month worth 10% of your salary into a new pension scheme, rather than your existing arrangements. If you have alternative pension arrangements already, we will write to you separately in the New Year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian Kennedy', with a stylized flourish at the end.

Professor Sir Ian Kennedy  
Chair