

## CONSULTATION ON POTENTIAL CHANGES TO IPSA'S DECEMBER PAYROLL DATE

Since IPSA was established we have paid MPs and their staff on the last working day of each month. This is in line with practice in many other organisations including the civil service. The paydays for each month are published on our website.

Some MPs have recently asked us to adopt a new approach for the December payroll, and pay salaries before Christmas, as some other organisations do. They argue that their staff face additional costs over the festive season, leaving them out of pocket until payday at the end of December. We are sympathetic to this request, but wish to ensure that the pros and cons are carefully considered. We therefore wish to consult MPs and their staff on options that may address any concerns.

Under **Option 1** we would **move the December payday for all MPs and staff to mid-December**. For 2018, this would be between 14 and 19 December. This approach would apply to all MPs and their staff, as it would be impossible to change individuals' paydays piecemeal and very difficult to differentiate between the MP and staff payrolls. The December payroll cut-off date for timesheet approvals and change forms would be brought forward. IPSA would be unable to make any late amendments until the January payroll.

This option would help people to manage any additional festive season costs, as they would receive their entire December salary before Christmas. But people would have to wait the six weeks until the end of January for their next salary. IPSA would not be able to provide emergency financial payments or advances of salary.

Alternatively, **Option 2** would involve offering **salary advances to staff** who wish to receive them, near the beginning of December. Under this option the December payday would remain the last working day in the month, as now. But IPSA could offer any employees of MPs an advance of up to £500 (pro-rated for part-time staff). The advance would be paid via BACS and deducted from their December salary. Employees would have to apply for an advance by 15 November 2018.

This approach would help address the concern that some staff face additional costs in the run-up to Christmas before they are paid their salary. And it would be optional, allowing people to choose whether this approach suited them. On the other hand, staff would only be eligible for a portion of their salary, and would still need to manage their finances in January as in Option 1. This option is would also be administratively costlier for IPSA.

**Option 3** would involve **more actively communicating the payroll saving scheme already offered by IPSA** via the London Mutual Credit Union. Under this existing scheme, staff can save over the year for festive season costs. This option would not involve any advance payment of salary. But it gives people an opportunity to save a small sum each month for one-off costs such as holidays or Christmas. Participants in the scheme, which is optional, can determine for themselves how much they save each month. Take-up is currently low, but it could be more actively communicated by IPSA, MPs and staff groups, and it could be implemented in parallel with other options. It could be a straightforward means of enabling people to budget for the costs of the festive season.

**Option 4** would entail **no change to present arrangements**. The December payday would remain the last working day of the month, as now. This would give people certainty about when they will be paid so they can plan accordingly, in line with existing practice. But IPSA would not actively provide help with managing festive season costs, for any who might find that helpful.

## **Conclusion**

IPSA is willing to change the way we pay MPs and staff their December pay, subject to the wishes of MPs and staff.

**We would be grateful for views on the four options set out above relating to how IPSA should pay salaries each December. To respond to the consultation, [please click here](#). You can also send in written responses to [consultation@theipsa.org.uk](mailto:consultation@theipsa.org.uk).**