Northern Ireland Assembly

Research and Information Service Briefing Paper

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Information on pension schemes in other legislatures

This information is provided to the Independent Remuneration Board in support of its duties, and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as professional legal advice, or as a substitute for it.

1 Introduction

This briefing paper has been prepared following a request from the Independent Remuneration Board. The Board asked for information on the following to inform its consideration of the Assembly Members' Pension Scheme:

- whether late retirement is permitted in other parliamentary pension schemes and if so, any particular features of these provisions.
- the composition of the Trustee Boards of the other parliaments. The Board would particularly like to know whether the membership of the other Trustee Board includes non-sitting members (deferred/pensioners), and independent professional trustees.
- information on whether other parliamentary pension schemes have provisions relating to how salary reductions (including suspension or imprisonment scenarios) are provided for and interact with pensionable pay definitions within the pension scheme articles.

The research looked at pension schemes in the Scottish Parliament, Senedd, House of Commons and the Oireachtas.

2 Late retirement

Pensions law is complex.

The research sought to identify relevant provisions but professional advice/pensions expertise should be sought should any understanding of these provisions and their interaction with other regimes be required.

2.1 Scottish Parliament

The statutory framework for the Scottish Parliamentary Pension Scheme is set out in the Scottish Parliamentary Pensions Act 2009. Schedule 1, Part F, Rule 41 of the Act deals with late retirement. It states:

> Where a scheme pensioner becomes an MSP or the holder of a pensionable office, pension payments are to be suspended until the individual concerned stops being an MSP or the holder of that office.[1]

The guidance accompanying the Scheme further states that:

> Your pension is payable for life unless you become an MSP or office-holder at a later date in which case your pension will be suspended until you cease to be an MSP and or office-holder.[2]

Rule 44 is a ‘Special rule for commutation by individual approaching the age of 75’. The Explanatory Note states:

> Under the Finance Act 2004, a participating member aged 75 or over cannot commute part of their pension into the tax-free “pension commencement lump sum”.(12) Under the scheme, an individual cannot qualify for a scheme pension while they are an MSP or holder of a pensionable office. Therefore a serving MSP or office-holder approaching age 75 may lose the opportunity to commute part of their pension into a “pension commencement lump sum”. Rule 44 therefore makes special provision for serving MSPs and office-holders approaching age 75 to receive a retirement lump sum.
>
> Rule 44(1) makes provision for a participating member who would be entitled to be paid a scheme pension, except for them still being an MSP or holder of a pensionable office, to apply to the Fund trustees to commute part of their pension into a tax-free lump sum. The application must be made prior to their 75th birthday so that the individual becomes entitled on the day prior to their 75th birthday. For the lump sum to be payable by the Fund trustees it must not attract an unauthorised payments charge under section 208 of the Finance Act 2004 (see rule 100). In this case, the payment must therefore meet the tests for a “pension commencement

[1] Scottish Parliamentary Pensions Act 2009: https://www.legislation.gov.uk/asp/2009/1/schedule/1/part/F/crossheading/suspension-of-scheme-pension

[2] A Guide to the Scottish Parliamentary Pension Scheme: https://pensions.gov.scot/other-schemes/scottish-parliamentary-pension-scheme/spps-scheme-guide

lump sum". In particular, it must not be paid later than one year after the day on which an individual becomes entitled to it.

Serving MSPs and office-holders aged 75 and over are not eligible to be a participating member and accumulate more service in the pension scheme (see Part C, rules 21 and 22(1)). Rule 44(2) determines that an individual who is an MSP or holder of a pensionable office will be entitled to an annual pension from the day before their 75th birthday but no sum is payable until the individual ceases to be a MSP or holder of a pensionable office. A scheme pension cannot be paid to an individual while they are an MSP or holder of a pensionable office (see rule 37(1) and rule 41). They will receive their retirement lump sum but will not receive their reduced annual pension until they are no longer an MSP or in office.

The rule only applies to those persons who give a valid commutation notice under rule 44(1) prior to reaching age 75. Scheme members who do not give a commutation notice, on reaching age 75, become deferred pensioners under the scheme.[3]

The guidance clarifies the above as:

If you are approaching aged 75 you may apply to the Fund Trustees to receive your retirement lump sum. Your application must be made prior to your 75th birthday so that the retirement lump sum can be paid the day prior to your 75th birthday. If you continue to serve as an MSP and or office-holder your pension will be suspended until you cease to be an MSP or office-holder.[4]

2.2 Senedd

The Senedd provides a:

defined benefit scheme, governed by section 18 of the Government of Wales Act 1998. Section 20 (4) of and Schedule 11 to the Government of

[3] Scottish Parliamentary Pensions Act 2009

[4] A Guide to the Scottish Parliamentary Pension Scheme

Wales Act 2006 provides continuity for the Scheme. The Government of Wales Act 2006 has not affected the legal status of the Scheme.[5]

The Members of the Senedd Pension Scheme Arrangement of Rules provides the details of how the pension scheme is administered. Rule 45A addresses circumstances around late retirement. The relevant extracts are reproduced below:

45A LATE RETIREMENT AND RETIREMENT AFTER AGE 75

45A.1 Subject to Rule 45A.3 below, a Participant or Deferred Member who is entitled to receive a Pension under Rule 32 {entitlement of pensioner MSs} or Rule 33 {entitlement of pensioner office holders} as applicable may, subject to such terms and conditions as the Trustees may from time to time determine, defer taking the pension until a date later than their relevant Normal Retirement Age.

45A.2 Where the Member's pension is paid later than their relevant Normal Retirement Age under Rule 45A.1 above, it will be increased to reflect the later payment by such amount as shall be determined by the Trustees to be actuarially neutral after taking advice from the Scheme Actuary.

45A.3 To the extent that Rule 45A.1 is not applicable, a Participant who is age 75 or over and who has not exercised the options under Rule 9.2 {membership for members of the Senedd} or Rule 43.2 {commutation into lump sum} may have their pension increased to reflect later payment in accordance with Rule 45A.4 below.

45A.4 The resulting pension may be increased to reflect late payment during the period from age 75 (or the date on which the individual ceases to be a Participant, if later), until the date on which the pension

[5] Senedd Members' Pension Scheme: Annual Report and Accounts 2025-26: https://senedd.wales/media/ysslytgn/final-mps-trustee-report-and-accounts-2025-26-final-en-screen-1.pdf

> commences payment. Any increase applied will be as determined by the Trustees to be actuarially neutral after taking advice from the Scheme Actuary.[6]

Correspondence from Senedd officials provided further clarification in relation to members who are pensioners:

> If a Member is still serving at age 75, they have the option to opt out of the Scheme and take a lump sum but not their pension as the pension can only be paid once they are no longer serving as a Member of the Senedd. If they do take the lump sum, then their pension is not increased by the late retirement factor. If they opt out of the Scheme at age 75 and don't choose to take the lump sum payment, then their pension is increased by a late retirement factor from age 75 to the age they cease to be a Member of the Senedd. Members can continue to build up benefits after age 75 but their contributions are not then subject to tax relief which is why most choose to opt out.[7]

2.3 House of Commons

The Parliamentary Contributory Pension Fund is the pension scheme for all MPs and Ministers.

On the issue of late retirement, the guide to the scheme states:

> If you cease to be an MP after your NRA[8] (or a purchased EPA[9]) your pension will be increased to reflect late payment based on actuarial factors. However, even after you have reached your NRA you cannot retire unless you have stopped being an MP (and an Office Holder) and are not a candidate for election as an MP.

[6] Arrangement of Rules, Senedd Pensions: https://senedd.wales/media/rxga0axo/bus-guide-8860fd2707e925d203177f97a3a27133-english.pdf

[7] Correspondence from Senedd officials

[8] Normal Retirement Age

[9] Effective Pension Age

In November 2025, the Independent Parliamentary Standards Authority (IPSA), the body responsible for determining MPs pay and pensions, published a revised MPs' pension scheme:

> The amended rules include a new provision that will allow sitting MPs to choose to receive their pension commencement lump from minimum retirement age or later. The rest of their pension would be held back until they leave Parliament.
>
> This change reflects the fact that MPs do not have access to 'partial retirement' or other options to take their pension flexibly that exist elsewhere in the public sector.[10]

2.4 Oireachtas

The Oireachtas operates two pension schemes – one for members elected before 1 January 2013 and another for those members elected after that date.

2.4.1 Houses of the Oireachtas (Members) Pension Scheme

According to the Oireachtas website:

> A Member is part of this scheme when they:

- were first elected before 1 January 2013, or
- employed within six months of the election as a public servant since before 1 January 2013, or
- are on a career break or other authorised leave from the public service and are a member of a pre-existing pension scheme.

2.4.2 Single Pension Scheme

The Single Public Service Pension Scheme was introduced on 1 January 2013 and applies to over 350 Public Service employers who are responsible for administration for their members. Members first elected after 1 January 2013 without prior public service will be part of the Single Pension Scheme.

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[10] IPSA, MPs' pay & pensions: https://www.theipsa.org.uk/publications/consultations/mp-and-staff-pay

2.4.3 Late retirement

The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 makes provision for the late retirement of members of the Oireachtas. Section 24 exempts members from the mandatory retirement age of 70.[11]

With regards to the older Members Scheme, there is a public service pensions benefit cap that applies to all pre-existing public service pension schemes provided for under the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, which may have an impact on the final value of pension entitlements payable.

The Public Service Pensions (Single Scheme and Other Provisions) Act 2012, Section 21 states:

> (3) Where a person, immediately before becoming eligible for a pension under this section, is or had previously been Attorney General but is or was a member of either House of the Oireachtas at the same time as being Attorney General, then the person may elect to have the sum of the referable amounts in respect of each calendar year or part of a calendar year as such a member while Attorney General treated instead as part of the referable amounts in respect of each calendar year or part of a calendar year as Attorney General.
>
> (4) Subject to subsection (2), a Scheme member or former Scheme member's annual pension under this section shall equal the sum of the referable amounts at retirement, as determined under this section.
>
> (5) Pension benefits under this section shall not be payable to a person while that person is a member of either House of the Oireachtas or of the European Parliament or is Attorney General or holds the office of President or is a designated office holder.

[11] Public Service Pensions (Single Scheme and Other Provisions) Act 2012: https://www.irishstatutebook.ie/eli/2012/act/37/section/24/enacted/en/html#sec24

> (6) Subject to subsection (3), nothing in this section otherwise affects the pension earned as a member of either House of the Oireachtas or as a public servant.

3 Pension Trustee Boards

3.1 Scottish Parliament

Under the Scottish Parliamentary Pensions Act 2009, a board of trustees is responsible for administering the Pension Fund, and managing and applying its assets, in accordance with the scheme. The Act states that there are to be at least three but no more than six Fund trustees.

Schedule 1 of the 2009 Act provides for the appointment of Fund Trustees. It states that:

> The Scottish Parliament may resolve to appoint as a Fund trustee any individual nominated by the SPCB as suitable to hold that office.
>
> The SPCB must, when deciding who to nominate—
>
> (a) do its best to ensure that the Fund trustees include a participating member and a scheme pensioner, and
> (b) have regard to any recommendation by the incumbent Fund trustees.

The current Board of Trustees is:

- Pauline McNeill MSP (Chair)
- Gordon MacDonald MSP
- Murdo Fraser MSP
- Mark Ballard[12]

[12] Scottish Parliamentary Pension Scheme: https://www.parliament.scot/msps/scottish-parliamentary-pension-scheme

Mark Ballard is a former Green Party MSP for Lothians (Region), 01 May 2003 to 02 Apr 2007.[13]

3.2 Senedd

The Senedd Pension Board is established by the Remuneration Board, as per the Government of Wales Act 2006:

> (The 2006 Act) enables the Remuneration Board to make provision for a Pension Scheme for Members of the Senedd…
>
> The Remuneration Board as the responsible authority makes the Scheme Rules, and has three key areas of responsibility:
>
> - Pension Board appointments: the Remuneration Board must nominate the independent chair of the Pension Board. They must also appoint any Trustee and may dismiss any Trustee. The Trustees acting together constitute the Pension Board;
> - Overseeing the Member contribution rate
> - Agree and consult with the Trustees on any proposed amendments to the Scheme Rules.
>
> The Pension Board is made up of a professional Independent Trustee to act as Chair; two representatives nominated by current and previous Senedd Members; and two representatives appointed by the Senedd Commission.[14]

The Remuneration Board has the authority to dismiss any Trustee.

The members of the Trustee Board for 2025-26 is as follows:

- Independent Trustee (Chair): Gregor Law, Dalriada Trustees Ltd
- Trustee: Mike Hedges

[13] Mark Ballard biography: https://www.parliament.scot/msps/current-and-previous-msps/mark-ballard

[14] Senedd Pension Board: https://remunerationboard.wales/about/pension-board/

- Trustee: Hefin David[15]
- Trustee: Nick Ramsay
- Trustee: Robert Evans

Correspondence from Senedd officials provides further detail on the Board:

> We have a professional independent Chair, two Commission Nominated Trustees (CNT) and two Member Nominated Trustees (MNT), this is a requirement of the Scheme rules. Apart from the Chair, active, deferred and pensioner Members can be a Trustee. When we have an MNT vacancy, we ask for nominations from all Members including deferred and pensioners. The Commission nominate their Trustee representatives, these could be active, deferred or pensioner Members or senior Commission officials/ independent advisers.[16]

3.3 House of Commons

The Parliamentary Contributory Pension Fund (PCPF) is the pension scheme for all MPs and Ministers. MPs pay and pensions are determined by IPSA, but the PCPF is managed by a Board of 10 Trustees. Of these 10, eight are nominated by members and are either current or former Members of the House. The remaining two Trustees are nominated by either the Independent Parliamentary Standards Authority (IPSA) or the Minister for the Civil Service.

The current Trustees are:

- Sir Brian H. Donohoe (Chairman) (Pensioner Member)
- Dame Harriett Baldwin DBE MP
- Clive Betts MP
- Christopher Fraser OBE DL
- Richard Graham CMG
- Dame Meg Hillier DBE MP

[15] Hefin David passed away in August 2025 and his replacement is due to be filled following the 2026 Senedd election.

[16] Correspondence from Senedd officials

- Jamie Stone MP
- The Rt Hon The Viscount Thurso PC (Pensioner Member)
- Karen Lacey (IPSA-nominated Trustee)
- Vacancy (Minister for the Civil Service nominated Trustee)

3.4 Oireachtas

There is comparatively limited information on the Trustees to the Oireachtas pension schemes. According to the guide to the members' pension scheme:

> The Trustees of the scheme (except that of the single pension scheme) are the Ceann Comhairle, Cathaoirleach of the Seanad, and the Minister for Public Expenditure, NDP Delivery & Reform. The Clerk to the Trustees and the Members Pensions Unit administer the terms of the Scheme on behalf of the Trustees.[17]

4 Provisions relating to salary reductions

In the UK, the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations 1997 (SI 1997/785) are the regulations made under sections 91 and 92 of the Pensions Act 1995 and set out circumstances in which occupational pension rights may be assigned, surrendered or forfeited.

These provisions apply to the Scottish Parliament, Senedd and House of Commons, but specialist pensions advice should be sought on the full extent of their application.

4.1 Scottish Parliament

[17] Members' pension scheme guidance 2024

The Scottish Parliamentary Pensions Act 2009 does not address the issue of pension forfeiture/reduction due to a decrease in salary arising from, for example, a prison sentence.

4.2 Senedd

The relevant guidance is silent on the issue of forfeiture. Correspondence from Senedd officials states:

> Members aren't allowed to choose to take a lower salary anymore but if they have a salary reduction because for example, they are suspended from the Senedd for a period of time, the lower, reduced salary is what is used to calculate their pension in the Career Average Scheme for the year the reduced salary applied.[18]

4.3 House of Commons

The House of Commons scheme is silent on the issue of forfeiture, but as noted above two pieces of legislation may apply to varying degrees and specialist advice should be considered.

In July 2024, Daniel Greenberg, the House of Commons Standards Commissioner, gave an interview to The Telegraph in which he addressed the issue of forfeiture of MPs' pensions. An extract from the article is reproduced below:

> Members of Parliament who are found guilty of serious crimes could lose lucrative taxpayer funded pensions, the parliamentary standards chief has suggested.
>
> Daniel Greenberg, the parliamentary commissioner for standards, told The Telegraph that a future review by the House of Commons may consider recouping taxpayer money from MPs whose conduct is found to have caused a loss in the public purse.

[18] Correspondence from Senedd officials

It comes after The Telegraph revealed disgraced former MPs including those convicted of sexual offences while in office have been allowed to keep full retirement benefits.

An anachronism of MP pension rules means members are only likely to be stripped of their retirement benefits only in the most extreme cases such as treason.

Mr Greenberg said: “The issue of sanctions relating to pensions is complicated and needs to be considered with great care: as part of ongoing reviews of its standards arrangements the House may in due course wish to consider, in particular, ensuring that where misconduct consists or results in a loss to the public purse, the possibilities of recovering the loss from pension benefits are the same for Members as for other public officials.”

Mr Greenberg said “continual reviews of the standards system” may “go wider” than the setting rules for the recovery of public money from the pensions of MPs found to have committed misconduct.

“This is not a subject that has been specifically considered so nothing has been ruled out or in,” he added…

Last weekend, Prime Minister Keir Starmer was facing calls from within his own party to add a so-called “forfeiture” provision to the pension rules for lawmakers in cases of gross misconduct while in office.

Currently, there are almost no circumstances where an MP can have their pension benefits revoked. It means the rules are out of step with much of the public sector, where payments can typically be suspended or reduced in severe cases of misconduct.

The Metropolitan Police, the NHS and the Local Government Pension Scheme all include provisions for payments to be withheld when a serious crime has been committed or in cases of gross misconduct.

Pensions for members of Parliament are considerably more generous than those of many private sector workers.

> Until 2015, MPs with at least 30 years of service enjoyed so-called “final salary” pensions, which guaranteed two thirds of their last yearly paycheck every year for life…
>
> It is understood it would require Parliament to pass new powers to stop pensions for MPs convicted of crimes other than treason.[19]

4.4 Oireachtas

Irish courts have not supported the loss of a person’s pension due to a criminal conviction or other objectionable behaviour. For example:

> In the case of Jeremiah Lovett v Minister for Education, Ireland and the Attorney General, the High Court held in 1997 that a provision in the Teachers Superannuation Act 1928 that allowed a teacher’s pension to be forfeit on conviction of a criminal offence was ultra vires, since it amounted to a penalty for criminal behaviour that was beyond the scope of that legislation.[20]

5 Conclusion

The research indicates that the legislatures provide mechanisms that allow for late retirement, although there are variations in the administration of these schemes. Members may continue to serve beyond normal retirement age, but pension benefits are typically not payable while an individual remains a serving parliamentarian or office-holder. The Scottish Parliament, Senedd and House of Commons schemes contain specific provisions addressing the relationship between continued service and pension entitlement, while the Oireachtas similarly restricts the payment of pension benefits during ongoing service.

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[19] The Telegraph, ‘Criminal MPs could lose pensions in rules shake-up’, 23 July 2024: https://www.telegraph.co.uk/money/pensions/criminal-mps-lose-pensions-rules-shake-up/

[20] Law Society Ireland Gazette, ‘Feathering the nest egg’, 21 October 2022: https://www.lawsociety.ie/gazette/in-depth/pensions-and-recent-case-law

There was relatively limited information on provisions relating to salary reductions, suspension or imprisonment scenarios. The Senedd provides for a reduction in salary during a period of suspension and this is reflected in pensionable earnings for that period. There is overarching pensions legislation within which the UK parliamentary pension schemes operate, and specialist pensions advice may be required to determine how such provisions would apply in particular circumstances.