
STATUTORY INSTRUMENTS

2013 No. 481

PENSIONS

**The European Parliamentary (United Kingdom
Representatives) Pensions (Amendment) Order 2013**

<i>Made</i>	- - - -	<i>5th March 2013</i>
<i>Laid before Parliament</i>		<i>7th March 2013</i>
<i>Coming into force</i>	- -	<i>29th March 2013</i>

The Leader of the House of Commons, in exercise of the powers conferred by section 4(1) and (3) of the European Parliament (Pay and Pensions) Act 1979(1) and now vested in the Leader of the House of Commons(2), makes the following Order.

Citation, commencement and effect

1. This Order may be cited as the European Parliamentary (United Kingdom Representatives) Pensions (Amendment) Order 2013.

2. This Order comes into force on 29th March 2013 but articles 4 and 5 have effect from 1st April 2012.

Interpretation

3. In this Order “the Principal Order” means the European Parliamentary (United Kingdom Representatives) Pensions (Consolidation and Amendment) Order 1994(3).

Categories of contributor

4.—(1) Article 2 of the Principal Order (interpretation) is amended as follows.

(2) In the definition of “Category 1 contributor”—

(a) omit “and” at the end of paragraph (b);

(1) 1979 c.50. Section 3 of the European Communities (Amendment) Act 1986 (c.58) substituted references to the European Parliament for references to the Assembly of the European Communities. Section 4 was prospectively amended by the Constitutional Reform and Governance Act 2010 (c.25) on a date to be appointed.

(2) See the Transfer of Functions (European Parliamentary Pay and Pensions) Order 1995 (S.I. 1995/2995), articles 2 and 3 and the Transfer of Functions (European Parliamentary Pay and Pensions) Order 2003 (S.I. 2003/2992), articles 2 and 3.

(3) S.I. 1994/1662. Relevant amending instruments are S.I. 1996/1493, S.I. 2003/1416, S.I. 2005/1924, S.I. 2006/919 and S.I. 2010/909.

- (b) in paragraph (c) after “14th July 2009” insert “and ending before 1st April 2012”;
- (c) at the end of paragraph (c) substitute “; and” for “.” and insert—
 - “(d) in respect of any period beginning on or after 1st April 2012, a participant (“P”) who—
 - (i) did not opt, before 1st April 2012, to make contributions at a reduced rate, and does not exercise the option in article 5(2AA) to change P’s membership category; or
 - (ii) exercises the option in article 5(2AA) to change P’s membership category and whose qualifying notice specifies that P wishes to make contributions as a Category 1 contributor.”.
- (3) In the definition of “Category 2 contributor”—
 - (a) omit “and” at the end of paragraph (b);
 - (b) in paragraph (c) after “14th July 2009” insert “and ending before 1st April 2012”;
 - (c) at the end of paragraph (c) substitute “; and” for “.” and insert—
 - “(d) in respect of any period beginning on or after 1st April 2012 a participant (“P”) who—
 - (i) opted, before 1st April 2012, to make contributions as a Category 2 contributor and does not exercise the option in article 5(2AA) to change P’s membership category; or
 - (ii) exercises the option in article 5(2AA) to change P’s membership category and whose qualifying notice specifies that P wishes to make contributions as a Category 2 contributor.”.
- (4) For the definition of “Category 3 contributor” substitute—
 - ““Category 3 contributor” means—
 - (a) in respect of any period beginning on or after 14th July 2009 and ending before 1st April 2012, a participant (“P”) who exercised the option to select a membership category in article 5(2A) and whose qualifying notice specified that P wished to make contributions as a Category 3 contributor; and
 - (b) in respect of any period beginning on or after 1st April 2012, a participant (“P”) who—
 - (i) opted, before 1st April 2012, to make contributions as a Category 3 contributor and does not exercise the option in article 5(2AA) to change P’s membership category; or
 - (ii) exercises the option in article 5(2AA) to change P’s membership category and whose qualifying notice specifies that P wishes to make contributions as a Category 3 contributor.”.
- (5) After the definition of “protected individual” insert—
 - ““qualifying notice” has the meaning assigned to it by article 5(2B);”.

Contributions and option

- 5.—(1) Article 5 of the Principal Order (contributions from salary) is amended as follows.
- (2) In paragraph (2)(d) after “14th July 2009” insert “and ending before 1st April 2012”.
- (3) At the end of paragraph (2)(d) substitute “; or” for “.” and insert—
 - “(e) in relation to any period beginning on or after 1st April 2012—

- (i) in respect of all or any part of such period as a Category 1 contributor is 13.75 per cent;
 - (ii) in respect of all or any part of such period as a Category 2 contributor is 9.75 per cent;
 - (iii) in respect of all or any part of such period as a Category 3 contributor is 7.75 per cent.”.
- (4) Insert after paragraph (2A)—
- “(2AA) A participant (“P”) who is an opted-out Representative may exercise the option to change P’s membership category to a different membership category with effect from 1st April 2012 by giving a qualifying notice to the Managers no later than 1st July 2013.”.
- (5) Insert after paragraph (2C)—
- “(2CA) Where a participant exercises the option in paragraph (2AA), the effective date of the option is 1st April 2012.”.
- (6) Insert after paragraph (2D)—
- “(2DA) Where a participant (“P”) does not exercise the option in paragraph (2AA), P continues to be in the membership category that P was in immediately before 1st April 2012.”.
- (7) In paragraph (2E) insert “or (2AA)” after “(2A)”.

Participants on 29th March 2013 who have paid insufficient contributions

- 6.—(1) This article applies to an opted-out Representative (“P”) who—
- (a) is a participant on 29th March 2013; and
 - (b) either—
 - (i) does not exercise the option to change P’s membership category pursuant to article 5(2AA) of the Principal Order (as inserted by article 5 of this Order); or
 - (ii) does exercise that option and, as a result, the contributions deducted from P’s salary on and after 1st April 2012 are less than the sums required to be deducted in respect of P on and after that date pursuant to the amendments to the Principal Order made by article 5.
- (2) P must pay to the Managers, within such period as the Managers may in their discretion determine, the amount certified by the Managers as being the additional amount due to make up P’s contributions to the sums required pursuant to the amendments to the Principal Order made by article 5.
- (3) If P does not pay to the Managers the amount so certified, within the period referred to in paragraph (2), the amount may be deducted by the Treasury from the payments of salary to P made pursuant to section 1 of the 1979 Act, by means of monthly instalments commencing from such date and over such period as the Managers may in their discretion determine.
- (4) Terms used in this article which are also used in the Principal Order have the same meaning as in the Principal Order.

5th March 2013

Andrew Lansley
Leader of the House of Commons

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the European Parliamentary (United Kingdom Representatives) Pensions (Consolidation and Amendment) Order 1994 (S.I. 1994.1662) (“the Principal Order”) which was made under section 4 of the European Parliament (Pay and Pensions) Act 1979 (“the 1979 Act”) and sets out a pension scheme for United Kingdom representatives to the European Parliament (“Representatives”).

The Order comes into force on 29th March 2013 but articles 4 (categories of contributor) and 5 (contributions and option) have effect from 1st April 2012. Section 4(3)(g) of the 1979 Act allows provisions of the Order to have effect from a date before the date the Order is made.

Article 5 amends article 5 of the Principal Order. It provides for new rates at which Representatives contribute to the scheme. It also provides for an option for Representatives to change their membership category. The option must be exercised by 1st July 2013 and takes effect from 1st April 2012.

Article 4 amends the definitions of the membership categories in article 2 of the Principal Order to take account of this option for Representatives.

Article 6 provides for the collection of the additional contributions from Representatives whose contribution rate increases with effect from 1st April 2012 as a result of the changes made by Article 5.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.