



Determining Members' emoluments in other jurisdictions

RESEARCH PAPER

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This paper was originally published as part of the Emoluments Committee's report on provision for an independent pay body ([PP 2021/0014](#)).

Request: Independent body responsible for setting member's pay: a paper on how these issues are handled in other jurisdictions to include: the UK, Jersey, Guernsey, Canada and Australia.

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INTRODUCTION

This paper describes how the level of pay received by parliamentarians is set in several jurisdictions, paying particular attention to jurisdictions where an independent body is the method selected to determine pay.

UK (WESTMINSTER)

Since 2010, MPs' pay has been set by an independent body: the Independent Parliamentary Standards Authority. The IPSA was created in 2009 by the Parliamentary Standards Act, amended in 2010 by the Constitutional Reform and Governance Act. [The IPSA is independent](#) of both Parliament and Government and is overseen by a board of five members required to include a former high court judge, a qualified auditor and an ex-MP. The board also appoints a [compliance officer](#) who is independent and investigates complaints made by the public and others about MPs' claims and reviews decisions by IPSA. The IPSA is [run day to day](#) by its CEO and Directors, who report to the board.

The board determines basic salaries by conducting a [review](#), which it is required to complete within one year of the start of each new parliamentary term. [Changes in salaries](#) during the term are then linked to changes in average annual earnings in the public sector based upon ONS figures.

The IPSA is also [responsible](#) for the members' pension scheme, business costs and expenses. The IPSA set budgets for different areas of expenditure which MPs are not allowed to exceed. The body monitors the budgets and investigates possible breaches of the rules. The IPSA follows a [three stage approach](#) to validate expenses claims, conducting checks before and after a payment is made.

The majority of Members of the House of Lords do not receive a salary. They can however claim an attendance allowance and travel expenses. A [small number](#) of peers do receive a salary for holding a particular office. The rules regarding expenses are set by the House of Lords Commission, a select committee of the House, in the "[Guide to Financial Support for Members](#)".

SENEDD CYMRU – WELSH PARLIAMENT

Senedd Members' pay is set by an [independent board](#): The Remuneration Board of the National Assembly for Wales. The Board was established in 2010 following a recommendation by an [independent panel](#) set up to look at financial support available to members. The Remuneration Board's [primary function](#) is [ensuring that](#) members have the resources they need to do their jobs effectively. The Board conducts an [annual review](#) to consider if any changes to pay or expenses are necessary at the start of the next financial year.

The [Board members](#) are all independent of the Assembly and appointed by the Senedd Commission (the corporate body of the parliament made up of the presiding officer and four other members from across political parties) for a term of 5 years. The current board is composed of experienced professionals from the public and private sectors.

Assembly Members who are also UK MPs or MEPs have their salary reduced by [two thirds](#).

NORTHERN IRELAND ASSEMBLY

MLA salaries are set by the [Independent Financial Review Panel](#), which was established in 2011 by the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011. The panel are currently in the process of being appointed for the next five-year term however the [previous panel](#) was composed of three members with experience on a number of public sector boards. Members are appointed by the [Northern Ireland Assembly Commission](#), the organisation responsible for providing staff and services to the members of the Assembly.

The panel [writes an annual report and issues "determinations"](#) setting out its decisions about members' pay. These decisions are then [implemented](#) by the Assembly Commission and Secretariat. When issuing a determination, [the panel has to ensure](#) accountability and value for money while also ensuring that members have the resources they need to do their jobs and to ensure that nobody is deterred from standing for election on financial grounds. [To achieve this](#), the panel takes into account what members are paid in other jurisdictions, in addition to public sector pay and the wider job market in Northern Ireland. The panel is also responsible for making recommendations about members' pensions, expenses, support staff and allowances.

SCOTTISH PARLIAMENT

Members' pay is set under the [Scottish Parliament Salaries Scheme](#), made under section 81 of the Scotland Act 1998 by the Scottish Parliament Corporate Body. The Scheme sets out the basic salary paid to members, presiding officers and ministers. Since 2015, the Scheme has included a provision for annual pay increases to be implemented on 1st April. Any increase is based upon the index of the mean annual earnings of public sector full time workers in Scotland, calculated from the Annual Survey of Hours and Earnings produced by the Office for National Statistics, or such other index as the SPCB considers appropriate.

JERSEY

States Members' pay is set by the [States Members Remuneration Review Body](#), an independent body of five members established by resolution of the States in 2004 to make recommendations about remuneration and expenses. Members of the body are selected by the Jersey Appointments Commission and appointed by the Privileges and Procedures Committee. The body is required to take into account the level of income required to ensure that as wide range of people as possible can consider putting themselves forward for election, in addition to considering the current economic conditions and cost of living.

The SMRRB makes recommendations to the Privileges and Procedures Committee, who then present the recommendations to the States. In presenting the recommendations of the SMRRB, the Privileges and Procedures Committee may include its own report detailing its view on the recommendations. The SMRRB's recommendations are implemented automatically unless a States Member chooses to lodge an alternative proposition, in which case implementation can be delayed or prevented. Further information can be found in an [independent report](#) commissioned by the Privileges and Procedures Committee and completed in October 2020 which reviews the system used in Jersey and compares it to other jurisdictions including the Isle of Man.

GUERNSEY

States Deputies' pay is governed by the [States Members Pay Rules](#). The rules set out that pay is set based upon the median earnings for every employed person on the Island for the previous year and comes into force on 1st May. At the start of the political term, members can choose whether to accept future changes to their pay as a result of changes to the median earnings during the term or to keep their salary at the starting amount throughout their term.

CANADA

Salaries are adjusted each year on 1st April based upon the index of average percentage increase in wages resulting from major settlements negotiated in the private sector. [The index is published](#) by Employment and Social Development Canada within three months of the end of each calendar year. The basic salary was set in 2004 at \$141,200 and is adjusted in relation to the previous year's salary according to the index under the [Parliament of Canada Act 1985](#) sections 55.1 and 67.1.

The House of Commons also has a [Board of Internal Economy](#) that makes decisions and provides direction on financial matters concerning the House, in addition to working to increase public understanding about the expenditure of the House and its members. The board is [made up of](#) the Speaker (chair), two members of the Privy Council, the leader of the opposition and additional members so that there are equal members from the government and opposition parties.

AUSTRALIA

Members' pay is set by an independent review body: [The Remuneration Tribunal](#), established in 1973 by the Remuneration Tribunal Act 1973. [Its role](#) is to determine, report on or provide advice about remuneration, including allowances and entitlements for a number of public officials. The panel has three independent members appointed by the governor general who serve for a five-year term. The body conducts [annual reviews of members' pay](#), and bases its recommendations upon the value of members' work while also considering the performance of the broader economy and jobs market.

There is a separate independent body, the [Independent Parliamentary Expenses Authority](#), which deals with matters relating to expenses claims. [The IPEA has](#) 60 independent employees who process, monitor and audit all claims relating to work and travel expenses.

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