

Loss of Office and Transitional Support: Parliamentary Comparison

January 2024

This paper considers different approaches to supporting Members as they leave parliamentary office, drawing on evidence from across the UK and internationally.

This paper has been produced to support the work of the Independent Remuneration Board, specifically the thematic review of Members' Remuneration and Personal Support.

Many legislatures offer financial support to members when they leave office, but the nature and scale of this support can vary significantly. Existing research on the topic of leaving office highlights that former members can encounter a number of challenges to finding employment as well as experiencing a deep sense of loss, impacting their health and well-being.

While this paper cannot provide a view on the "right" way to support departing members, the comparator parliaments offer valuable insights into the nature and model of support that outgoing parliamentarians may need.

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1. Executive Summary

The question of how best to support outgoing Members, given the unique context in which they operate, is one that has received growing attention. In the last four years, a number of reports have considered not only the financial support that Members may need when leaving office, but also how former Members' wellbeing and transition to alternative employment can best be supported. These reports provide useful context for any comparison of different parliaments' approaches to loss of office payments and support.

Of particular note, is a recommendation from the House of Commons Administration Committee in their 2023 report *Smoothing the Cliff edge*, that winding up and loss of office payments should better reflect the time it takes MPs to close down their offices and are fairly supported into their next career step. Additionally, the report stated the need to treat this as a redundancy package and therefore not tie payment to the completion of winding up tasks.¹

It is commonplace across many legislatures for Members leaving political office to receive some form of financial support, although the nature and scale of this varies. So too does the terminology used to describe these payments. A key distinction however is between salary-based payments made to outgoing and former Members, and winding up **costs** which are claimed from other business costs or allowances that Members are entitled to, e.g. staffing and office costs.

When considering the former, payments made to Members when they leave office, there is consensus that some form of financial support is appropriate, but this differs in some fundamental ways across the legislatures reviewed.

Who is eligible

Some legislatures only provide financial support to those who stand for election and are not returned (e.g. the Senedd). However, it is more common for all outgoing Members to receive support. Some legislatures provide an additional payment or uplift to those who leave office unexpectedly at an election, e.g. the UK Parliament where all Members receive a winding up payment, with an additional loss-of-office payment made to those who are not re-elected.

¹ House of Commons Administration Committee (2023) *Smoothing the cliff edge: supporting MPs at their point of departure from elected office*

<https://committees.parliament.uk/publications/33889/documents/185884/default/>

Many of the legislatures reviewed also tied length of service to loss of office payments, either with a requirement of minimum length of service to be eligible (often a year), or including length of service in the calculation of the value of the payment. For example, in Victoria Australia, those who serve up to a single term receive three months basic salary, while those who serve two or more terms receive six months basic salary.

Type of payment

Some legislatures opt for a single, lump sum paid to outgoing Members following the dissolution of parliament or the election, depending on how a Member leaves office. Others, provide an ongoing payment, often referred to as “transitional payments”. These often have a stated aim of supporting former Members to transition to life after parliament and support them as they secure alternative employment. These are commonly reduced over time, and will be offset against any other income former Members receive.

Some legislatures combine both of these approaches. For example, in Norway former Members may receive severance remuneration equal to 3 months salary, and also a termination allowance for up to one year after the end of the severance period. This is to support former Members who are actively seeking work or take up work-related training or education and is equal to 66% of MPs basic pay. It is reduced in line with any other earned income.

Some legislatures also provide outgoing Members with the option to either receive their payment in a single lump sum or over time, e.g. Germany.

Value of payments

The value of loss of office payments is commonly based on Members’ basic salary. Many legislatures calculate loss of office payments as a set number of months’ worth of basic pay. This ranges from three to 24 months, although three to six months seems most common.

Payments to additional office holders

It can be challenging to find information online about loss of office payments to additional office holders. Provisions for these roles, particularly ministerial roles, are often set and administered by different bodies to those setting remuneration arrangements for parliaments. Across the UK legislatures, it’s relatively common for additional office holders to receive loss of office or severance payments, with the Northern Ireland Assembly being the exception. Payments in the Senedd differ from the UK and Scottish Parliaments in a crucial way, in that they are paid when a former office holder loses their Senedd seat at an election. In both the UK and Scottish

parliaments severance payments to additional office holders are made when an individual ceases to hold that additional office.

2. Introduction

The Independent Remuneration Board of the Senedd (the Board) makes independent decisions on the pay and direct support for Members of the Senedd. The Board makes decisions on the basis of three guiding principles:

1. decisions should be appropriate within the context of Welsh earnings and the wider financial circumstances of Wales.
2. decisions should support the strategic purpose of the Senedd and facilitate the work of its Members.
3. decisions should be robust, clear, transparent, sustainable, inclusive and represent value for the taxpayer.

Ahead of each new Senedd term, the Board makes a new Determination on Members' Pay and Allowances. This Determination sets out the system of financial support and remuneration for Members. Each year an annual review considers whether any changes are needed to any allowances, with the exception of Members' Salaries (unless there are exceptional circumstances).

Thematic Reviews

The Board are currently undertaking a programme of thematic reviews, which look in more detail at elements of the Determination. This work is particularly important in the context of proposed Senedd reform, which could significantly change the size and make-up of the Seventh Senedd.

There are five reviews:

- Simplification
- Ways of Working
- Staffing Support
- Support for Political Parties' Allowance (PPSA)
- Members Remuneration and Personal Support

The Review of Members' Remuneration and Personal Support covers a large proportion of the Determination with discrete areas of focus, it has therefore been split into three distinct workstreams:

- Workstream One: Members' Pay and Conditions
- Workstream Two: Residential Accommodation Expenditure and Travel
- Workstream Three: Members Leaving Office

Workstream Three will consider whether current provisions for Senedd Members leaving office are sufficient, taking account of approaches adopted by other legislatures across the UK and internationally, as well as the potential impact of Senedd reform. This element will also take account of insights from the existing literature on leaving political office, which considers not just the financial support parliamentarians may need but also wider support transitional support.

This paper focuses on Workstream Three, and brings together evidence from existing literature on leaving political office and approaches taken in other parliaments to loss of office support. It focuses on salary related payments made to parliamentarians upon leaving office.

Parliamentarians in the UK legislatures are also eligible for a range of winding up costs that relate to their offices, staffing and accommodation, which are not addressed in detail in this paper. A brief summary of these arrangements however are provided at Annex Two for context.

3. Leaving Political Office: Existing Research

There have been three notable reports on the topic of leaving political office published in the past three years. All of these reports highlight the challenges that parliamentarians can face when leaving office, either through the decision to stand down or loss at an election. All three reports note the need for adequate transitional support, covering financial payments as well as wider support around mental health, careers advice and training.

Below, key points from each of these three reports are set out.

*Smoothing the cliff edge: supporting MPs at their point of departure (2023)*²

The **House of Commons Administration Committee** undertook an inquiry to consider the support and services provided by the House of Commons Service and IPSA to MPs and their staff at general elections. The final report was published on the 8th February 2023.

The inquiry took evidence from a range of experts, including Remuneration Board member Jane Roberts. As with the reports below, the link was made between ensuring MPs are adequately supported when leaving office and diversity of representation.

The Committee heard that experiences of winding up procedures in Westminster were not good, with a number of former members noting that they felt there wasn't enough time to do everything required while processing the loss of an election. A perceived lack of flexibility and empathy from IPSA was also flagged as a concern.

The Committee made a number of recommendations in five main areas:

1. Improving the accountability and preparedness of the House Service and IPSA for future elections.
2. Valuing and recognising departing MPs' contribution to our democracy.

² House of Commons Administration Committee (2023) *Smoothing the cliff edge: supporting MPs at their point of departure from elected office*
<https://committees.parliament.uk/publications/33889/documents/185884/default/>

3. Ensuring outgoing MPs receive the professional career transition support, which was identified as being in place in other employment sectors, to help them through the challenging period of transition.
4. Creating a professional development offer that captures the skills vital for a twenty-first century parliament.
5. Modifying the winding up period and loss-of-office payments to reflect more accurately the time it takes for MPs to close down their offices and to ensure they are fairly supported into their next career step.

On the loss-of-office payment, the Committee were of the view that this be treated as a redundancy package, and therefore should not be contingent on the completion of winding up tasks. They also noted that a future review of the system should be informed by benchmarking against comparable payment schemes.

Other specific recommendations included that the House Service work with a service contractor to develop and provide a career transition programme to support outgoing MPs for up to 18 months after leaving office. No formal response has been published as yet, however a news article from December 2023 detailed a proposed “career transition” scheme being developed in response to the Committee report.³ The news piece stated that the under the plans support would only be offered to those voted out of their job rather than those choosing to stand down.

Transitioning to Life after Parliament (2021)⁴

This report sets out the experiences of **former MPs in Victoria, Australia**. Published in August 2021, the study found that 71% of former MPs who departed parliament as a result of election defeat experienced serious employment challenges, compared to just 19% who left through retirement. Regardless of the manner in which they left parliament however, most former MPs reported a sense of physical and mental exhaustion, and experiencing a period of adjustment that lasted for many months, if not years.

³ BBC “MPs defeated at election to get help finding a new career” Paul Seddon, 9 December 2023 <https://www.bbc.co.uk/news/uk-politics-67629470> [Accessed 24.01.24]

⁴ A. Nethery, P. Ferguson, Z. Nwokora and M. Clarke (2021) *Transitioning to Life after Parliament* <https://new.parliament.vic.gov.au/49e8f9/globalassets/images/news/library-papers/transitioninglifeafterparliament.pdf>

40% of the respondents to the study took between six and eighteen months to secure paid work after leaving parliament. Many went on to have portfolio careers consisting of a combination of paid and unpaid roles.

The report notes that it's an important democratic principle that all unnecessary barriers to pursuing a career in politics are removed, to help ensure that the parliament reflects the diversity of the community it serves. This is linked to the issue of loss of office support, noting that this principle is "seriously compromised where there is not a corresponding effort to minimise where possible, the personal and professional disadvantages that are often incurred by pursuing a parliamentary career."

Ten recommendations are made to strengthen the support for former MPs ranging from training and support while serving as an MP to prepare for life after parliament, counselling, formalised support networks for former MPs, better relationships between parliament and executive recruitment agencies and support for training after leaving parliament.

*Transitional Support for Former Members of Parliament: Benchmarks for 'Professional Parliaments' (2023)*⁵

This article, published on the 9th September 2023 draws on the 2021 report *Transitioning to Life after Parliament*. The paper uses the 2021 report that focused on the **Parliament of Victoria, Australia**, to determine a number of benchmarks against which professional parliaments should be assessed in relation to support for parliamentarians when they leave office. It then considers a number of parliaments that meet the criteria of a "professional parliament" to measure performance against these benchmarks.

The paper states that "...to attract high-quality and diverse candidates and reduce disincentives for sitting members to remain in parliament too long, the conditions of a parliamentary career and its aftermath must be reasonable."

The paper notes that challenges finding employment after leaving political office can be significant, arguing that the so-called revolving door between government and the private or public sectors is not as prevalent as is often claimed. It is also noted that this issue is particularly

⁵ P. Ferguson, A. Nethery and Z. Nwokora (2023) *Transitional Support for Former Members of Parliament: Benchmarks for 'Professional Parliaments'*
<https://academic.oup.com/pa/advance-article/doi/10.1093/pa/gsad017/7265872>

acute for former female legislators who “tend to have shorter parliamentary careers, are more likely to leave parliament involuntarily and are less likely to secure post-parliamentary employment that is remunerated at the same or higher level than their parliamentary salary.”

The five suggested benchmarks are as follows:

1. Former MPs who depart parliament before they reach pensionable age (whether paid by the state or another source) receive the basic MP salary for 18 months or until the former MP secures employment, irrespective of the time served in parliament.
2. Defined benefit pensions with payments equivalent to or greater than the median wage with no length of service requirements; or if the minimum service requirement is not met, the option to withdraw all contributions with interest when leaving parliament; or an accumulation superannuation scheme commensurable with similarly remunerated vocations.
3. Career, financial and life transitions counselling available to all serving MPs and redundancy counselling available to all former MPs for at least 18 months after departure from parliament, Current and former MPs offered training to develop and articulate transferrable skills.
4. Ongoing specialist mental health services provided to all current and former MPs and free healthcare if not otherwise provided by the state.
5. Social and networking opportunities – an active former members’ association.

The paper considers how 22 professional parliaments perform against these benchmarks, including the Senedd. The authors conclude that while most offer adequate retirement income, none provide sufficient transitional financial assistance for MPs who depart before pensionable age and there are improvements needed in most parliaments around mental health and counselling support.

The potential unpopularity of increasing the level of support for former MPs is noted – “the provision of any additional resources to former parliamentarians is likely to be viewed with suspicion and hostility by some sections of the media, the public and many sitting MPs....offering departing MPs adequate transitional support has the potential to enhance representative democracy by removing potential impediments to high-quality candidates from diverse socio-economic and cultural backgrounds from seeking political office, while also easing the passage out of parliament for those who are ready to leave.”

4. Loss of Office Payments: UK Legislatures

Approaches to loss of office payments across the UK legislatures varies in a number of ways, including how the manner in which members leave office affects eligibility for financial support and whether additional office holder roles are included in arrangements. An at-a-glance comparison of the four legislatures is provided at [Annex One](#).

Senedd

Members who are a Member of the Senedd immediately before the dissolution of the Senedd, and are a candidate for re-election but are not re-elected, are eligible for a **Resettlement Grant**.⁶ The amount payable is one calendar month's salary for each completed year of service, to a maximum payment equal to six months' salary.

Provision is also made for an Ill Health Retirement Grant, which is calculated on the same basis as the Resettlement Grant. Any member whose "health precludes their continued participation as a Member of the Senedd" is eligible for this grant.⁷

If a Member chooses not to stand for re-election and resigns for any reason other than ill health, they are not eligible for any form of Resettlement Grant.

Members who at any point in their period of service have held an additional office as specified in the Determination are entitled to an additional payment "equal to the amount of salary paid to the holder of that additional office in the three months before they ceased to hold that additional office."⁸

[Annex Three](#) details changes that were made to the provisions for Senedd Members leaving office ahead of the Fourth Assembly (2011 – 2016).

⁶ Senedd Independent Remuneration Board (2023) *Determination on Members' Pay and Allowances 2023-24*

<https://remunerationboard.wales/media/zezos3oz/gen-ld15775-e.pdf>

⁷ Ibid.

⁸ Ibid.

UK Parliament

Former MPs who *either* stand down at an election or are unsuccessful in retaining their seat are eligible for a **winding-up payment**, which is the equivalent of four months' salary.⁹ This essentially provides a salary payment during the time in which a former member is undertaking their winding up activities.

Former MPs who stand for election and are not re-elected are also eligible for a **loss-of-office payment**, if they have held office for a continuous period of at least two years. This payment is equal to double the prevailing statutory redundancy entitlement. This is usually paid at the end of the winding up period.¹⁰

Redundancy payments for ministerial roles are not within IPSA's remit. The **payment of salaries and severance to UK Government Ministers and several parliamentary office holders** are provided for through legislation, the two most significant pieces of legislation being *Ministerial and other Salaries Act 1975* and *Ministerial and other pensions and salaries Act 1991*.

Severance pay is provided for the following roles¹¹:

- Prime Minister
- Cabinet Minister
- Minister of State
- Parliamentary Under-Secretary of State
- Speaker of the House of Commons
- Three Deputy Speakers in the House of Commons
- The Lord Speaker

⁹ IPSA (2023) *The Scheme of MPs' Staffing and Business Costs 2023-24*

[https://assets.ctfassets.net/nc7h1cs4q6ic/1RGgHNyfnvqhVRXIFTZvDk/583a6973a70ff7707f6ea0686928a6fd/Sixteenth Edition of the Scheme 2023-24.pdf](https://assets.ctfassets.net/nc7h1cs4q6ic/1RGgHNyfnvqhVRXIFTZvDk/583a6973a70ff7707f6ea0686928a6fd/Sixteenth_Edition_of_the_Scheme_2023-24.pdf) [Accessed Nov. 2023]

¹⁰ Ibid.

¹¹ House of Commons Library *Briefing 9656 Ministerial Severance Pay*

<https://researchbriefings.files.parliament.uk/documents/CBP-9656/CBP-9656.pdf> [Accessed 23.10.23]

- The Senior Deputy Speaker (formally the Chairman of the Committees) in the House of Lords
- The Principal Deputy Chairman of Committees in the House of Lords

Severance pay for ministers is generally the equivalent of one quarter of the annual ministerial salary and is payable when a minister stops holding office.¹² Ministers can waive severance payments, and those who are over 65 or are reappointed as a minister within three weeks do not qualify.¹³

Scottish Parliament

Loss of office payments are outlined in the Scottish Parliamentary Pensions Act 2009, which states that the Scottish Parliament Corporate Body (SPCB) must pay a grant (an **MSP resettlement grant**) to each individual who is an MSP immediately before dissolution of the Scottish Parliament but is not returned at the next general election.¹⁴ MSP resettlement grants are a percentage of the annual MSP salary; the higher of either 50% or a percentage based on years of service, up to a maximum of 12 (which would be 100% of an annual salary).¹⁵

Further information about resettlement grants, winding up provision and other support is available in 'Guidance for Members who are not standing at the 2021 Scottish Parliamentary election'¹⁶.

There are also provisions for an "**Office-holder resettlement grant**", which is payable to an individual who stops being the holder of a pensionable office and is not appointed as the holder of a pensionable office during the following 90 days.¹⁷

¹² House of Commons Library *Briefing 9656 Ministerial Severance Pay*

¹³ House of Commons Library *Briefing 9656 Ministerial Severance Pay*

¹⁴ Scottish Parliamentary Pensions Act 2009 <https://www.legislation.gov.uk/asp/2009/1/schedule/2> [Accessed 20.10.23]

¹⁵ Ibid.

¹⁶ The Scottish Parliament *Guidance for Members who are not standing at the 2021 Scottish Parliamentary election* https://archive2021.parliament.scot/SPCB/Scottish_Parliamentary_Elections_2021-Guidance_for_MSPs_not_standing.pdf [Accessed 12.01.24]

¹⁷ Scottish Parliamentary Pensions Act 2009 <https://www.legislation.gov.uk/asp/2009/1/schedule/2> [Accessed 20.10.23].

- For the First Minister and Presiding Officer, the grant equates to one month of salary for each complete year of service subject to a minimum of 50% and maximum of 100%.
- Other office holders receive a sum equal to 25% of the office-holder salary (not inclusive of MSP base salary).

Northern Ireland Assembly

A person is entitled to a **resettlement allowance** if the person was a member immediately before dissolution of the Assembly and the person does not stand at the subsequent election, or the person does stand but is not returned as a member.¹⁸

The resettlement allowance is one month's salary for each completed year of service, capped at a maximum of six months' salary. The salary used for this calculation is the "salary a member is entitled to by virtue of having the role of a member only", calculated at the date of the dissolution of the Assembly.¹⁹

Before receiving the payment, former Members must make all arrangements necessary to wind up their affairs as a member, including issuing redundancy notices to staff and submitting all expenses claims to the Commission.²⁰

¹⁸ Northern Irish Assembly *Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 as amended by the Assembly Members (Salaries and Expenses) (Amendment) Determination (Northern Ireland) 2020* http://www.niassembly.gov.uk/globalassets/documents/your_mlas/determinations/assembly-members-salaries-and-expenses-determination-northern-ireland-2016-as-amended.pdf

¹⁹ Ibid.

²⁰ Ibid.

5. Loss of Office Payments: International Examples

Comparison to other legislatures is not without challenge. Parliaments operate in very different ways, in different electoral systems and different political and economic contexts. While these factors make direct comparison of the level of loss of office payments difficult, it does not prevent a comparison of how these payments are approached by different parliaments. Comparison with international parliaments can therefore support with consideration of the nature and model of support that outgoing parliamentarians may need.

It also worth noting the differing terminology used by parliaments to describe similar financial support. In reference to payments made when either standing down from office or following the loss of a seat at an election, the following terms are used:

- Resettlement grant
- Winding up payment
- Loss of office payment
- Severance payment
- Transitional payment
- Termination payment
- Separation payment
- Supplementary Remuneration
- Financial Redeployment Support

Ireland

Responsibility for setting the rates of termination payments resides with the Minister for Finance, under the Oireachtas (Allowances to Members) and Ministerial and Parliamentary Offices (Amendment) Act 1992.²¹ Provision of severance payments, including details on the relevant formulae, is outlined in S.I. No. 356/1992 – Oireachtas (Termination Allowance) Regulations, 1992.²² Subsequent regulations have amended these to change a number of factors including the consideration of additional office holder roles in the calculation of termination payments.

It is challenging to find up to date guidance on the operation of termination payments, so the below is drawn from the legislation as published on the Irish Statute Book website.²³

Under S.I. No. 356/ 1992²⁴, Members of Dáil Éireann (TDs) were entitled to a termination payment if they had served not less than 183 days continuous service, were TDs up to the dissolution of Dáil Éireann and were not returned as Members at the next general election.

Termination payments were made up of two elements:

1. A lump sum equal to 6 months' salary of a TD
2. Monthly payments for up 12 months

Monthly payments were available for Members with no less than 1095 days (3 years) continuous service. The number of payments would be the lesser of 12 or a duration based on length of service. For the first 6 months, Members were entitled to 75% of the monthly salary of a TD; any payments beyond 6 months would be 50% of the monthly salary of a TD.

Additional office holder allowances were dealt with in subsequent regulations. In 1997 provision was made for termination payments to account for any parliamentary office holder allowances. SI No. 211/1997²⁵ set out a model whereby the "relevant amount" – i.e. the basic amount on

²¹ Oireachtas (Allowances to Members) and Ministerial and Parliamentary Offices (Amendments) Act, 1992 <https://www.irishstatutebook.ie/eli/1992/act/3/section/5/enacted/en/html> [Accessed 24.10.23]

²² S.I. No. 356/1992 – Oireachtas (Termination Allowance) Regulations, 1992 <https://www.irishstatutebook.ie/eli/1992/si/356/made/en/print> [Accessed 24.10.23]

²³ Oireachtas (Allowances to Members) and Ministerial and Parliamentary Offices (Amendments) Act, 1992 https://www.irishstatutebook.ie/eli/isbc/1992_3.html [Accessed 27.11.23]

²⁴ S.I. No. 356/1992 – Oireachtas (Termination Allowance) Regulations, 1992 <https://www.irishstatutebook.ie/eli/1992/si/356/made/en/print> [Accessed 27.11.23]

²⁵ S.I. No. 211/1997 – Oireachtas (Termination Allowance) (Amendment) Regulations 1997 <https://www.irishstatutebook.ie/eli/1997/si/211/made/en/print> [Accessed 27.11.23]

which all elements of the termination payment is based– is uplifted based on the length of time a Member served in an additional role.

SI No. 386/ 2001²⁶ provides for the “reckoning for the purpose of calculating termination payments the additional amount of salary to which a member is entitled by reference to years of service where payment of such amount is suspended while the member is the holder of an office referred to in part 2 of the Ministerial and Parliamentary Office Act 1938.”

Victoria, Australia

Provision is made for separation payments for Members of the Parliament of Victoria in the Parliamentary Salaries, Allowances and Superannuation Act 1968.²⁷

Payments are available to those who lose their seat at an election and those who do not seek re-election for any reason other than corrupt conduct of a significant and wilful breach.²⁸

Payments are tied to length of service. Those who serve up to and including one term, are entitled to three months of the basic salary payable on the day they ceased to be a member. For those serving two or more terms, this increases to six months of the basic salary payable to them on the day they ceased to be a member. For those serving between one and two terms, a pro rata amount is calculated.²⁹

The issue of additional office holders is not addressed in this legislation and it is unclear from the sources available whether the Government of Victoria makes provisions for redundancy or loss of office payments for ministerial positions.

Norway

MPs who cease to hold their seats in the Norwegian Storting are entitled to two payments³⁰:

1. Severance remuneration

²⁶ S.I. No. 386/ 2001 – Oireachtas (Termination Allowance) (Amendment) Regulations, 2001 <https://www.irishstatutebook.ie/eli/2001/si/386/made/en/print> [Accessed 27.11.23]

²⁷ Parliamentary Salaries, Allowances and Superannuation Act 1968 <https://www.legislation.vic.gov.au/in-force/acts/parliamentary-salaries-allowances-and-superannuation-act-1968/120> [Accessed 27.11.23]

²⁸ Ibid.

²⁹ Ibid.

³⁰ “MPs pay, allowances and other arrangements” <https://www.stortinget.no/en/In-English/Members-of-the-Storting/Financial-support/> [Accessed Oct. 2023]

2. Termination allowance

MPs who do not continue after a parliamentary election may apply for severance pay equal to the fixed remuneration of an MP for up to 3 months. To qualify, the former Member must submit a self-declaration form with details of their income situation. The level of severance pay will be reduced if other sources of income exceed NOK 5,000 during this period.

A termination allowance is available for former MPs who are actively seeking work or who take essential and relevant work-related training or education for up to one year after the end of the severance pay period. This pay constitutes 66% of an MP's fixed remuneration, and is reduced in line with any other earned income.

Denmark

Provision for the remuneration of Members of the Folketing is made in the Parliamentary Election Act of Denmark.³¹

If an ordinary member leaves the Folketing due to a general election or illness, the member receives a supplementary remuneration, corresponding to the basic remuneration, for 6-24 months after resignation.³² The period of entitlement is linked to the former member's length of service – the number of months corresponding to half the number of full months of continuous service.³³

Any salary income below DKK 157,564 in the first year will not be offset, any other salary and pension income will be offset from the first day of entitlement to any supplementary remuneration.³⁴

Former members can also receive support for continuing education, up to a maximum of DKK 32,055 per year, up to six years following their resignation from parliament.³⁵

³¹ "Terms and conditions of Members of Parliament" <https://www.ft.dk/da/medlemmer/medlemmernes-vilkaar#C79346F8A16E45659511D356FE803141> [Accessed Oct. 2023] NB; this information has been gathered based on the Google translation of the original Danish content

³² Ibid.

³³ Folketing (Parliamentary) Elections Act <https://elections.im.dk/parliament-elections/folketing-parliamentary-elections-act> [Accessed 27.11.23]

³⁴ "Terms and conditions of Members of Parliament" <https://www.ft.dk/da/medlemmer/medlemmernes-vilkaar#C79346F8A16E45659511D356FE803141> [Accessed Oct. 2023] NB; this information has been gathered based on the Google translation of the original Danish content

³⁵ Ibid.

Sweden³⁶

Financial support is offered to those who cease to be a member of the Riksdag and are not aged 66 or over. The intention behind this is to create financial security during the transitional period that follows leaving office.

In 2014 a new system of financial redeployment support was introduced, replacing the previous guaranteed income system. In addition to financial support, former members may also access careers advice and continuing professional development (CPD).

Decisions about financial redeployment support are taken by the Riksdag Remunerations Board.

To be eligible Members must have served for a continuous period of at least one year. The length of time over which former members may receive support is linked to their length of time in office, subject to a maximum of two years. Members receive 85% of their basic salary, which is reduced in line with any other income they receive and is pensionable.

This period can be extended under certain conditions, up to a maximum amount of 45% of their basic salary. This is not pensionable.

To receive financial redeployment support, an application must be submitted to the National Government Employee Pensions Board, with an income statement that includes preliminary information on any other sources of income.

Germany

Details of transitional payments are outlined in the Members of the Bundestag Act, last updated in October 2021.³⁷

To qualify for transitional emoluments, Members must have served at least one year. Members receive their monthly salary, for one month of each year of membership, capped at eighteen months.

³⁶ "Members' pay" <https://www.riksdagen.se/en/members-and-parties/the-members-pay-and-conditions/members-pay/> [Accessed 10.12.23]

³⁷ Members of the Bundestag Act Members of the European Parliament Act" <https://www.bundestag.de/resource/blob/189732/12f31382e6855396ce43b5bb7b9f0062/memlaw-data.pdf> [Accessed 27.11.23]

From the second month after leaving office, all earned income and pension benefits will be offset against the transitional emoluments.

Members may request for their emoluments to be paid as a single gratuity, monthly or at half the prescribed amount for double the prescribed period.

The Members of the Bundestag Act makes reference to two separate pieces of legislation and the transitional emoluments they provide for – the Federal Ministers Act and Parliamentary State Secretaries Act. English versions of these Acts do not seem to be available, but the reference suggests that provision is made for transitional emoluments for ministerial roles, however from the second month these are suspended if someone is in receipt of the basic Member salary (i.e. serving as a current Member of the Bundestag).

Austria³⁸

The details of remuneration of Members of the National Council are set out in the Federal Remuneration Act (Federal Emoluments Act). After leaving office, Members are eligible for continuation of payment after termination of function. Those who do not return to alternative employment immediately, are entitled to a continued payment of 75% of their monthly emoluments. This is reduced in line with any other taxable income. Payments continue for three months, increasing to six months for those who are required by the Incompatibility and Transparency Act to not take up another occupation.

Individuals are eligible for these continued payments unless they take up another role that the Act provides remuneration for, other gainful activity or receive a pension.

Canada – House of Commons

The Board of Internal Economy, the governing body of the Canadian House of Commons, is responsible for decisions on financial and administrative matters. The Board is responsible for establishing by-laws, policies and guidelines relating to expenditures and resources provided to Members in order carry out their parliamentary functions. The Members By-law regulates the

³⁸ Federal Emoluments Act <https://www.parlament.gv.at/en/explore/making-laws/legal-bases/page/index.html> [Accessed 28.11.23]

use of financial resources and includes provisions for former Members and former House Officers.³⁹

Former Members are able to access transition services, meaning any service which assists the former Member in career transition or retirement, including any financial planning, retirement, or re-employment counselling, outplacements, education or retraining provided during the transition period.⁴⁰

The Members By-law defines the transition period as follows⁴¹:

- Members who are not re-elected – 12 months following the general election or the date of certification in the case of a judicial recount
- Members who do not seek re-election – 12 months following dissolution

In addition to these transition services, former Members are also eligible for a number of financial payments⁴².

- Withdrawal allowance – upon ceasing to be a Member, those who have contributed to the retirement accounts for less than six years will receive an immediate withdrawal allowance. This is a lump sum equal to the total contributions paid by the Member, plus interest, up to the date of resignation
- Severance allowance – dependent on length of service, age and circumstances.

Details of the severance allowance are set out in the Parliament of Canada Act.⁴³ Members who are not re-elected following a general election, receive a lump sum payment equal to 50% of the aggregate of their sessional allowance⁴⁴ and any salary or allowance as a result of additional offices held (covering parliamentary roles such as Speaker, deputy speaker and committee

³⁹ Board of Internal Economy *Members By-Law*

<https://www.ourcommons.ca/DocumentViewer/en/boie/by-law/10000> [Accessed 28.11.23]

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² House of Commons Canada *Members' Allowances and Services*

<https://www.ourcommons.ca/Content/MAS/mas-e.pdf> [Accessed 28.11.23]

⁴³ Parliament of Canada Act <https://laws-lois.justice.gc.ca/eng/acts/p-1/page-7.html#docCont> [Accessed 27.11.23]

⁴⁴ Session allowance is payable in equal instalments on the last day of each month until the Member ceases to be a Member; this is essentially the Member's base salary

chairs, parliamentary secretaries, opposition leaders, whips and house leaders and ministerial roles).⁴⁵

⁴⁵ Ibid.

6. Conclusion

Across the parliaments reviewed for this paper, there are many different approaches to loss of office payments and transitional support.

All of the international examples included in this paper provide some form of financial support for former members to aid with the transition to life after parliament and/or to enable them to complete any winding up arrangements. There is consensus across these examples that some form of financial support is appropriate for members when they leave office and most parliaments frame this as being to support former members as they transition to life after parliament.

The exact model of this support varies significantly however. Some favour a single lump sum payment, others ongoing monthly payments for a fixed period of time. Some link eligibility and value of any payment to length of service. Some account for additional office holder salaries, others do not. And some restrict payments to those who stand for election and lose their seat, while others provide payment to all who leave parliamentary office.

7. Annex One: Comparison of UK legislatures

The table below provides an at-a-glance comparison of the loss of office payments (salary-related payments only) that former members are eligible for in each of the UK legislatures. This should be read in conjunction with Chapter Three above to fully understand how the different schemes operate. Caution should also be taken with the figures listed for Northern Ireland, as these are taken from the *2020 Assembly Members (Salaries and Expenses) Determination*, as exceptional Determinations were in operation while there was no Executive in place. Figures will be updated once a new Determination is published following the restoration of power sharing.

	Senedd	UK Parliament	Scottish Parliament	Northern Ireland Assembly
Payment made to outgoing Members				
Name of payment	Resettlement Grant	Winding Up Payment and Loss of Office Payment	Resettlement Grant	Resettlement Allowance
Value of payment when leaving parliament	One calendar month's salary for each completed year of service. Capped at 6 months' salary	Winding up payment equivalent to four months' salary. Available to any Member who stands down or is not re-elected. Loss-of-office payment equal to double prevailing	The higher of either 50% of the annual MSP salary, or a percentage based on length of service capped at 12 months (i.e. 100% of annual salary).	Equal to one month's salary for each completed year of service, capped at 6 month's salary.

	Senedd	UK Parliament	Scottish Parliament	Northern Ireland Assembly
		statutory redundancy payment.		
Eligibility Criteria	Members who stand and are unsuccessful. A Member who stands as a candidate at an election and is not re-elected.	Winding Up Payment: All Members who leave office Loss of office: Members who stand and are unsuccessful. A Member who stands as a candidate at an election and is not re-elected. The Member must have served two continuous years to be eligible.	All Members. Payable to those who are an MSP immediately before dissolution of the Scottish Parliament but are not returned at the next general election.	All Members. Resettlement allowance payable to those who are a member immediately before the dissolution of the Assembly and either does not stand at the election or is not returned.
'Loss of Office' Payment for additional office holders				
Value of payment	Equal to the amount of salary paid to the office holder in the three months before they cease to hold that additional office. Paid	Ministerial and Speaker of the House redundancy payments (not administered by IPSA) equivalent of one	First Minister and Presiding Office – one month's salary for each complete year of service cap and collar of 100% and 50%.	None.

	Senedd	UK Parliament	Scottish Parliament	Northern Ireland Assembly
	at an election (if standing and unsuccessful) and value is not updated (in line with any inflationary increases) during the intervening period.	quarter of the annual salary (3 months)	Other office holders – 25% of the office-holders salary (not inclusive of MSP base salary)	
Available to all eligible senior office holders?	Only those who stand at an election and are unsuccessful.	Yes	Yes	N/A
When Paid	Paid when Resettlement Grant payment is triggered by loss at an election.	Paid when an individual stops holding the additional office.	Paid to an individual who stops being the holder of a senior office and is not appointed to a senior office within 90 days.	None.

8. Annex Two: Winding Up Cost Provisions in the UK legislatures

Senedd

The **Winding Up Allowance** is available to a person “who, for whatever reason, has ceased to be a Member” to cover cost incurred “wholly, exclusively and necessarily in completing any work that was in progress at the time that person ceased to be a Member.”⁴⁶

A Member ceases to be a Member on the date of any of the following:

- The resignation of the Member
- The death of the Member
- The dissolution of the Senedd if the Member is not a candidate for election to the new Senedd
- Polling day if the Member is a candidate for election to the new Senedd but is not elected

The amount that can be claimed is governed by a written winding up plan agreed with Members Business Support (MBS). It is calculated by reference to the period agreed for the winding up and the OCLF, RAE and Staffing Expenditure Allowance. The maximum duration for a winding up plan is 3 months.

UK Parliament

Under the IPSA Scheme of MPs' Staffing and Business Costs, former MPs may claim **winding-up costs**.⁴⁷ This is to support MPs with the costs of completing their parliamentary functions, including closing down constituency offices. Costs may be claimed for a maximum of two

⁴⁶ Senedd Independent Remuneration Board (2023) *Determination on Members' Pay and Allowances 2023-24*
<https://remunerationboard.wales/media/zezos3oz/gen-ld15775-e.pdf>

⁴⁷IPSA (2023) *The Scheme of MPs' Staffing and Business Costs 2023-24*

https://assets.ctfassets.net/nc7h1cs4q6ic/1RGgHNyfnvqhVRXIFTZvDk/583a6973a70ff7707f6ea0686928a6fd/Sixteenth_Edition_of_the_Scheme_2023-24.pdf [Accessed Nov. 2023]

months after they have left Parliament, by those who seek re-election or those who choose to stand down. From 2023 onwards, this period will increase to four months.⁴⁸

Scottish Parliament

MSPs are entitled to a **Winding Up Provision**, which meet expenses a Member may incur after dissolution as a result of finalising his or her parliamentary business.⁴⁹ The provision is in two parts: a capped provision of up to one third of the Office Cost Provision to meet accommodation, office and associated costs; and a separate provision to meet staff salary costs during the winding up period and staff redundancy costs.

Northern Irish Assembly

Former members are entitled to recover **winding up expenses**. Winding up expenses are incurred in respect of a person who ceases to be a member, during the three months from the date the person ceased to be a member and incurred wholly in connection with the person ceasing to be a member.⁵⁰ The maximum recoverable is £4,500.

⁴⁸ Ibid.

⁴⁹ The Scottish Parliament *Guidance for Members who are not standing at the 2021 Scottish Parliamentary election* https://archive2021.parliament.scot/SPCB/Scottish_Parliamentary_Elections_2021-Guidance_for_MSPs_not_standing.pdf [Accessed 12.01.24]

⁵⁰ Independent Financial Review Panel (2016) *Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016* <https://ifrp.org.uk/wp-content/uploads/2016/03/Assembly-Members-Salaries-and-Expenses-Determination-Northern-Ireland-2016.pdf>

At-a-glance comparison of winding-up costs

	Senedd	UK Parliament	Scottish Parliament	Northern Ireland Assembly
Winding-up costs	Winding Up Allowance for a maximum of 3 months after ceasing to be a Member. It is calculated by reference to the period agreed and the OCLF, RAE and Staffing Expenditure Allowance.	Winding-up costs can be claimed for a maximum of four months after leaving parliament.	Winding Up Provision made up of up to one-third of the office cost provision and a separate provision to meet staff salary costs.	Maximum of £4,500 can be claimed during the three months following the date a person ceases to be a member to cover winding up expenses.

9. Annex Three: Evolution of Senedd Resettlement Grant

Changes were made to the provisions for Senedd Members leaving office ahead of the Fourth Assembly (2011 – 2016).

In 2011 the newly created Remuneration Board of the National Assembly for Wales published *Fit for Purpose*, which outlined their decisions on pay and allowances for Members. This included decisions about changes to the Resettlement Grant that former Members were eligible to receive upon leaving office.⁵¹

- From the Fourth Assembly onwards, Members would only be eligible to claim a resettlement grant where they have been defeated at an election.
- In line with recommendations from the Independent Review Panel, a method for calculating the grant based only on length of service (and no longer age) was developed. This would be calculated on the basis of one month for each complete year of service capped at six months' salary.
- Transitional arrangements would remain in place for Members with continuous service from the Third Assembly.
- An Ill Health Retirement Grant would be available for eligible members, calculated in the same manner as the Resettlement Grant.

Prior to the Fourth Assembly the Resettlement Grant differed in a number of key ways⁵²:

- Members were eligible whether they stood for election and lost or chose to stand down.
- The value of the grant was based on a Member's age at the time of the election and their length of service and expressed as a percentage of their salary (see table below)
- Provisions for additional office holders were as they are now – a payment equal to the amount of salary payable to the office holder in the three months before they ceased to hold that office; paid at the same time as the main Resettlement Grant.

⁵¹ Remuneration Board of the National Assembly for Wales (2011) *Fit for Purpose*

⁵² *The National Assembly for Wales (Assembly Members and Officers) Salaries and Allowances Determination 2009*
National Assembly for Wales (senedd.wales)

PERCENTAGES OF YEARLY SALARY
 number of years of service (completed years)

Age	under 10	10	11	12	13	14	15 or over
Under 50	50	50	50	50	50	50	50
50	50	50	52	54	56	58	60
51	50	52	55	58	62	65	68
52	50	54	58	63	67	72	76
53	50	56	62	67	73	78	84
54	50	58	65	72	78	85	92
55 to 64	50	60	68	76	84	92	100
65	50	58	65	72	78	85	92
66	50	56	62	67	73	78	84
67	50	54	58	63	67	72	76