

Loss of Office and Transitional Support: Parliamentary Comparison Executive Summary

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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.

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/>

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. 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.