

**CONTENTS**

|  |      |
|--|------|
| <b>Filling in the Parliament Pages</b>                                     | MPN1 |
| <b>Details of office</b>   | MPN2 |
| <b>Income from office</b>  | MPN2 |
| ■ <b>Money</b>   | MPN2 |
| ● Money payments   | MPN2 |
| ● Tax deducted   | MPN2 |
| ■ <b>Benefits, expenses and balancing charges</b>                          | MPN2 |
| ● Travel warrants, vouchers etc.   | MPN2 |
| ● Accommodation excluding Additional Cost of Living Allowance              | MPN2 |
| ● Mileage allowances - using your own transport for Parliamentary business | MPN3 |
| ● Office Costs Allowance: non-capital items                                | MPN3 |
| ● Office Costs Allowance: capital items                                    | MPN3 |
| ● Financial Assistance Fund  | MPN3 |
| ● Other cash reimbursements  | MPN3 |
| ● All other benefits   | MPN3 |
| ● Balancing charges  | MPN4 |
| ■ <b>Lump sums and compensation payments or benefits</b>                   | MPN4 |
| ■ <b>Expenses paid out by you</b>  | MPN4 |
| ● Travel warrants  | MPN4 |
| ● Secretarial and clerical, and research assistance                        | MPN4 |
| ● Office expenses  | MPN4 |
| ● Other expenses and capital allowances                                    | MPN5 |
| <b>Student Loans</b>   | MPN5 |
| ■ <b>Student Loans repaid by deduction by the Fees Office</b>              | MPN5 |
| ■ <b>Pension provision</b>   | MPN5 |

**HELP SHEETS AND LEAFLETS**

Help Sheets and leaflets giving more detailed information about particular tax rules for the Parliament Pages are available from the Orderline:

- IR125: *Using your own car or motorbike for work*
- IR204: *Lump sums and compensation payments*
- IR206: *Capital allowances for employees and office holders \**
- Booklet 480: *Expenses and Benefits A Tax Guide*

The booklet *MPs, Ministers and Tax* contains background information which might also be helpful. It is only available from Public Department 1, Ty-Glas Road, Llanishen, Cardiff, CF14 5XZ. Telephone 02920 325000 ext. 5201 or fax 02920 765642.

\* copy enclosed with these Notes

**Filling in the Parliament Pages**

The word 'office' is used in these Notes for the office you held as an MP, as an MP and Minister, or as a Minister in the House of Lords. Also 'P11D' means P11D, P9D or equivalent information.

The Parliament Pages cover only your Parliamentary income; make sure you also complete other Pages appropriate to your circumstances.

Gather together the material you need, for example:

- your P60, a Fees Office form or Government Department form showing pay and tax details for the year
- your Notices of Coding (P2) for 2001-02 and 2002-03
- a form P11D or equivalent statement from the Fees Office or Government Department giving details of any benefits and expenses you have received in the year
- receipts for any allowable expenditure you have incurred
- any of the Help Sheets you think you need.

**These Parliament Pages are based on the Employment Pages. However, fewer boxes are needed, so some box numbers are missing.**

**If you were in office on 5 April 2002**

Your P60 should show the total pay and tax from your office (as well as from previous employments during the year). A P45(Part 1A), if you had one, should also show pay from previous employments. Do not include in the Parliament Pages any amounts on your P60, or P45(Part 1A) from employments other than from your office of MP or Minister.

**If you were a Member of Parliament**

Fill in **one** copy of the Parliament Pages.

**If you were a Minister in the House of Commons**

Fill in **one** copy of the Parliament Pages for your income as an MP and **one** for your Ministerial office - but see below if you changed office.

**If you were a Minister in the House of Lords**

Fill in **one** copy of the Parliament Pages - but see below if you changed office.

**If you changed office during the year**

Fill in a **separate** copy of the Parliament Pages for **each** office from which you received any income in the year ended 5 April 2002.

**If you held a non-Parliamentary office or employment at the same time**

Fill in a separate set of Employment Pages for each non-Parliamentary employment from which you received any income.

**Details of office**

**boxes 1.3, 1.4 and 1.6** Give the dates you became, or finished being, an MP or Minister if these are between 6 April 2001 and 5 April 2002. Tick box 1.6 if you held Ministerial office during this period.

**Income from office**■ **Money**

**boxes 1.8 and 1.10** Enter in the boxes the money you received as an MP or as a Minister.

Your P60 will show figures for pay and tax from the office you held at 5 April 2002. If you had more than one office, the form may also include a second set of pay and tax details for your previous offices. The details will be added together in the figures on your P60. You may need to refer to other records (such as payslips, forms P45(Part 1A), or statements of taxable benefit) to work out the figures for pay from the earlier offices to go in each copy of the Parliament Pages you complete (one for each office). If you were unemployed during the year, your P60 figure will include any Jobseeker's Allowance or Incapacity Benefit you received. Do not include these in the Parliament Pages (or any copies of the Employment Pages that you fill in).

Some of the more common items to include are explained in the 'Money payments' section below. If you received an item or payment in connection with your office and are not sure whether to include it, contact your Inland Revenue office or tax adviser for advice.

**General rule**

Include in boxes 1.8 and 1.10 **all** the income you received as an MP or Minister in the year to 5 April 2002, even if you earned it in an earlier tax year or you have been paid for work not yet done.

Treat this income as if you received it on the earlier of

- the date when the payment, or payment on account, was made, **or**
- the date you became entitled to be paid.

This is so even if you were not paid until later, or received no actual payment because you arranged for the sum due to you to be applied in some other way instead.

● **Money payments**

For every item, you must enter the amount **before** deducting any expenses you wish to claim.

**Money payments you should include in boxes 1.8 and 1.10 are:**

- your salary as an MP or Minister (box 1.8)
- statutory sick pay and statutory maternity pay except when paid by the Inland Revenue (box 1.8)
- payments from third parties where the payment is made as a reward for services given, or yet to be given, in your capacity as MP or Minister (box 1.10)

**Items you should not include in boxes 1.8 and 1.10 are:**

- benefits and expenses payments received - these go in boxes 1.13 to 1.23
- lump sums paid in connection with termination of office, retirement or death. Enter these in boxes 1.24 to 1.29
- payments made to the Parliamentary Pension Scheme.

If you have received a lump sum payment, for example a Resettlement Grant, that you have to enter in boxes 1.24 to 1.29, **and** the payment was taxed and included in the pay and tax figures on your P45, make sure you deduct it from the figure you enter in box 1.8.

● **Tax deducted**

**box 1.11** Enter in box 1.11 the amount of any tax deducted from the amounts entered in boxes 1.8 and 1.10.

Use the P60 or P45(Part 1A) figure for box 1.11 even if you have made an adjustment in box 1.8 because you need to complete boxes 1.24 to 1.29.

■ **Benefits, expenses and balancing charges**

The Fees Office or your Government Department send us details of all benefits and taxable expenses you received by reason of your office. They will also give you this information.

The details you get will not include any items for which the Fees Office or Department has a **dispensation**. You do not need to refer to these items. (A **dispensation** is an arrangement the Fees Office or Department may have made with the Inland Revenue office. It saves you the trouble of including as income a benefit or expenses payment you receive as an MP or Minister and then making a matching claim for the allowable expenses you incur.)

● **Travel warrants, vouchers etc.**

**box 1.13** Your Parliamentary income includes the value of any vouchers provided to you (or your family or household) by reason of your office as an MP. Where you use warrants for rail, sea or air travel, the Fees Office will tell us the cost of journeys which are not clearly business journeys. They will also give you this information. All business journeys are covered by a 'dispensation' and you do not have to enter them in your Tax Return.

Enter in box 1.13 the figure given to you by the Fees Office for non-business journeys. If you believe this figure covers more than your private journeys, you can claim in box 1.32 the amount that relates to business travel. If you would like further explanation please ask your Inland Revenue office or your tax adviser.

● **Accommodation excluding Additional Cost of Living Allowance**

**box 1.14** Your Parliamentary income includes the value of any accommodation and ancillary services (for example, heating, lighting, cleaning) you (or your family or household) get by reason of your office as an MP. (If you have the benefit of any accommodation by reason of another office or employment, enter it on separate Pages covering that office or employment.) The value of some accommodation is exempt from tax, for instance, if there is a special threat to your security and the accommodation is provided as part of special security arrangements. If you have agreed with us that your accommodation is exempt, do not enter anything in box 1.14 unless circumstances have changed. However, there is still a charge to tax on the ancillary services. This is normally limited to 10% of your salary from the office concerned. Enter this value in box 1.14.

- Mileage allowances - using your own transport for Parliamentary business

**box 1.15** If the Fees Office or a Government Department pays you a mileage allowance for using your own transport on Parliamentary business, the amounts you receive may be more than the costs of the journeys. The extra is taxable profit; enter this in box 1.15. If the amounts you receive are less than the costs of your journeys you can claim tax relief for the difference by including it in box 1.35.

If you are using your own car, you should be provided with a profit figure based on our authorised tax-free mileage rates. You can enter this figure in box 1.15.

If you are using your own motorbike or bicycle, you should be provided with details of the mileage allowances you have been paid. You can use our authorised mileage rates (24p and 12p per mile respectively) to work out the allowable costs of your journeys and, therefore, whether there is a taxable profit or whether you can claim relief.

If:

- you want to work out the amount of any taxable profit or relief on the basis of the allowances you received and the actual costs of using your own transport on Parliamentary business, **or**
- you need more information,

please ask the Orderline for leaflet *IR125: Using your own car or motorbike for work*.

Mileage allowances paid for private journeys, whether by car, motorbike or bicycle, are taxed and included in the total on your P60 at the end of the year. Do not include anything for these private journeys in box 1.15.

- Office Costs Allowance: non-capital items

**box 1.16** Payments you receive from the Fees Office to reimburse you for expenses you incur, in the performance of your duties as an MP or Minister, on running an office, or on secretarial and research assistance, are all taxable. (Claim any expenses allowable for tax purposes by filling in boxes 1.32 to 1.35.)

If, during the year, you changed from the Office Costs Allowance to the Incidental Expenses Provision, all payments, including any sums provided for security, under both systems should be dealt with as outlined below. Add together the amounts you received and enter the total in box 1.16.

The Fees Office should provide you with details. Enter in box 1.16 the amount reimbursed or paid to you, or on your behalf. Do not include any amounts for the purchase of office equipment as this is capital - use box 1.17 for these, instead.

Examples of sums to be included in box 1.16 are:

- day to day office expenses like heating, lighting, telephone, post, stationery
- secretarial and research assistance - salary, employer's National Insurance contributions, payments to casual assistants.

Do not include as income any sums paid by the Fees Office towards the pensions for secretaries and research assistants. Nor should you claim any allowance for these sums. They are taxable and allowable in identical amounts and we have agreed that they do not need to be put on your Tax Return.

- Office Costs Allowance: capital items

**box 1.17** Under the Office Costs Allowance rules, the Fees Office can reimburse you for the cost of office equipment such as a word-processor, personal computer or mobile telephone. You are taxable on these reimbursed sums. The Fees Office should provide you with the details. Enter the total in box 1.17. (If you want to claim capital allowances fill in box 1.35.)

Any equipment purchased out of the Incidental Expenses Provision should be dealt with in the same way. But you do not need to include anything for equipment made available to you under the House arrangements for the provision of IT equipment.

- Financial Assistance Fund

**box 1.18** If, as an Opposition Spokesperson, you receive payment from the Financial Assistance Fund, it is taxable as your income (in the same way as the Office Costs Allowance). Enter the amount in box 1.18. (Any allowable expenses you incur on your Parliamentary duties can be claimed on Page MP2.)

- Other cash reimbursements

**box 1.19** Enter in box 1.19 any reimbursements made to you by the Fees Office for vehicle hire costs, taxi fares or any taxable reimbursement not entered elsewhere in these Pages. Any claim for tax relief for these payments can be made in boxes 1.32 to 1.35.

- All other benefits

**box 1.22** The Fees Office or your Department should have given you details of any other benefits you received. Enter in box 1.22 the total cash equivalent of any benefits you received as an MP or Minister that you have not included elsewhere, for example in boxes 1.13 to 1.19.

#### *Cash equivalents of other benefits*

Cash equivalents are arrived at in different ways, according to the type of benefit.

#### **Assets (other than land and motor vehicles) provided for private use**

Where the asset has been available throughout the year the cash equivalent will generally be based on:

- 20% of its market value when it was first used to provide a benefit, **plus**
- expenses (other than the cost of acquiring it) incurred in connection with it which would not have been incurred but for the provision of the benefit.

If that total represents benefits provided for more than one employee, the cash equivalent for each will be based on a proportion of the whole amount. It is reduced by any amount made good to the provider in return for the benefit. For more information, ask your Inland Revenue office or tax adviser.

#### **All other benefits**

The cash equivalent is generally what the benefit cost the person who provided it (*minus* any amount you made good to the provider). If that amount represents benefits provided for more than one employee, the cash equivalent for each is a proportion of the whole amount. For more information see booklet 480, *Expenses and Benefits A Tax Guide* available from the Orderline.

Make sure you include in box 1.22 the benefit of a car, or car and fuel, made available to you by reason of your office as an MP. Do not include benefits from any non-Parliamentary office or employment. Enter these in the Employment Pages of your Tax Return.

Some of the more common benefits are listed in the Working Sheet below to help you arrive at a total for box 1.22.

### Working Sheet for box 1.22

|   |            |
|---|------------|
| Assets provided for private use   | £          |
| Home telephone(s)   | £          |
| Subscriptions and professional fees   | £          |
| Goods or services provided  | £          |
| Nursery places provided (in some circumstances this benefit is <b>not</b> chargeable - see booklet 480)         | £          |
| Educational assistance provided (in some circumstances this benefit is <b>not</b> chargeable - see booklet 480) | £          |
| All other benefits  | £          |
| <b>Total</b>  | <b>A</b> £ |

Copy the figure in box A to box 1.22 in the Parliament Pages.

#### • Balancing charges

**box 1.23** When the Fees Office reimburses you, or pays on your behalf, the cost of buying office equipment, the sums are taxable.

You can claim tax relief for the annual depreciation of equipment which you need to use in carrying out your duties. This relief is called 'capital allowances'. Sometimes, when you sell or give away an item of equipment, some of the capital allowances you have had will be recovered. This is called a 'balancing charge'.

A detailed explanation of how capital allowances are worked out is given in *Help Sheet IR206: Capital allowances for employees and office holders*, a copy of which is enclosed. If you need further guidance, ask your Inland Revenue office or tax adviser.

#### ■ Lump sums and compensation payments or benefits

**boxes 1.24 to 1.29** Different rules apply to different types of lump sum payments. If, during the year to 5 April 2002 you received a lump sum or compensation payment from the Fees Office such as, for example, a Resettlement Grant, please ask the Orderline for *Help Sheet IR204: Lump sums and compensation payments*. You will need this to fill in boxes 1.24 to 1.30.

**box 1.30** Enter in box 1.30 the amount of any tax deducted from lump sums and compensation payments.

#### ■ Expenses paid out by you

**boxes 1.32 to 1.35** This section explains the rules for claiming expenses necessarily incurred in performing your duties as an MP or Minister. Please note that the Fees Office may make payments for you, which are not tax deductible.

### Dispensations

**Do not** include in your claim any expenses which you have paid if:

- you can claim them back from the Fees Office or your Department, **and**
- the expenses are covered by a **dispensation**.

(If you are uncertain whether the Fees Office or Department has a dispensation you should ask for details. Also see the section headed 'Benefits, expenses and balancing charges' on page MPN2.)

However, if you have incurred allowable expenditure over and above the amount covered by the dispensation you may be able to claim a deduction for the excess.

#### • Travel warrants

**box 1.32** Journeys which you make by rail, sea or air which are paid for by travel warrants are scrutinised by the Fees Office.

The Fees Office will tell you the cost of journeys which are not clearly business journeys. If you think the amount is incorrect - and includes more than the cost of private journeys - you should enter in box 1.32 the amount that you believe relates to business journeys.

#### • Secretarial and clerical, and research assistance

**box 1.33** You can claim the expense of employing secretarial, clerical and research assistants when necessarily incurred in performing your duties as an MP or Minister. The claim will usually equal the amount of your Office Costs Allowance used for these staff expenses. The Fees Office will provide you with details.

Enter **separately** in the 'Additional information' box, box 1.40 on Page MP2, the amount of payments to:

- secretarial and clerical assistants
- research assistants.

Add these amounts up and enter the total in box 1.33.

The figure should include payments you made from your own funds, or out of the Financial Assistance Fund, and those notified to you by the Fees Office.

The total expenses cannot exceed the income from your office including payments out of the Financial Assistance Fund and payments notified to you by the Fees Office.

If you are a new member elected on 7 June 2001 such salaries will have been paid by the Fees Office under the Central arrangement with effect from 5 July 2001. No entry needs to be made in relation to payments after that date.

If you are not a new member but have elected to use the Central arrangement then you need enter no details of payments made after the effective date of the change in arrangements for these salaries.

#### • Office expenses

**box 1.34** Enter in box 1.34 the total you spent during the year on the day to day running of your office, for example, on heating, lighting, telephone, post, stationery. The figure will often correspond to the amounts that have been paid to you, or on your behalf, by the Fees Office for those sorts of items. They will give you details.

If, during the year, you changed from the Office Costs Allowance to the Incidental Expenses Provision all payments under both systems should be dealt with as outlined. Add together the amounts you received and enter the total in box 1.34.

If, during the year, you have paid amounts other than through the Fees Office, put the total of these amounts in box 1.34. However, do not include anything in box 1.34 which in any way relates to properties against which you have made a claim to the Fees Office for Additional Cost of Living Allowance.

#### Other expenses and capital allowances

**box 1.35** Enter **separately** in the 'Additional information' box, box 1.40 on Page MP2, the amount of:

- other expenses including details of expenditure on security; **and**
- capital allowances.

Add these amounts together and enter the total in box 1.35.

#### Other expenses

You can claim only those expenses which each and every person doing your job would have to meet. The expenses have to be incurred in actually carrying out the duties of the job. Expenses that might put you in a position to do your job, rather than actually doing it, are not allowable.

Most of the expenses which you can claim have been covered earlier. However, you may be able to claim for other expenses you incur in the performance of your duties, for example, payments you have entered in box 1.19 and which meet the qualifying conditions for tax relief. You may have agreed claims with us on other items in the past. If so, you should work out the amount of allowable expenses on the agreed basis. If you are uncertain about what you may be entitled to claim, you should ask your Inland Revenue office for help **before** filling in box 1.35.

#### Capital allowances

Capital allowances will normally be available on the capital cost to you of equipment you have to provide to carry out your duties as an MP or Minister. No allowance is available for equipment that has been provided to you under the House arrangements for the supply of IT equipment. *Help Sheet IR206: Capital allowances for employees and office holders* tells you how they are calculated. A copy is enclosed.

If, during the year, you start or stop using an item, work out the capital allowances as if you had bought or sold it on that date, using the market value at the time.

If your motor vehicle costs in box 1.15 are dealt with under the Fixed Profit Car Scheme (FPCS), do not claim capital allowances for that car - the FPCS already includes relief. If, however, you are claiming tax relief on the basis of the actual costs of using your own car on Parliamentary business, you can make a claim for capital allowances. Leaflet *IRT 25: Using your own car or motorbike for work* explains how to do this.

## Student Loans

### Student Loans repaid by deduction by the Fees Office

**box 1.39** Enter in box 1.39 the amount of any Student Loan repayments deducted by the Fees Office and included on your P60 or payslips. The P60 does not include Student Loan repayments deducted by any previous employer. So if you are filling in more than one set of Parliament Pages (or Employment Pages for any non-Parliamentary employment) you must use your payslips, in addition to the P60, to work out the figures to go in box 1.39 on each set of Pages you fill in.

### Pension provision

Your salary as an MP or Minister falls within the formal pension scheme administered by the Fees Office/Public Trust Office. Therefore (unless you do not belong to the scheme) you are unable to claim relief for retirement annuity payments or personal pension contributions in relation to this income.

The Fees Office/Public Trust Office administers on behalf of Members Additional Voluntary Contribution Schemes through Equitable Life, Clerical and Medical and Eagle Star. Ministers who are not Members of the House of Commons can belong to those schemes. Alternatively they may have similar arrangements made for them by their employing Department. Relief for contributions made to these schemes is given by deducting amounts paid from the salary payment before tax is charged. Therefore, do not claim for these contributions on your Tax Return. If you need help, the Fees Office and/or the employing Department will be able to advise you.

### Limit on contributions

Your contributions to all schemes mentioned here must not, in aggregate, exceed a limit of 15% of earnings (up to an earnings limit of £95,400 in some cases).

### Retirement benefits schemes of employers

If you decide to make a lump sum contribution to the Fees Office/ Departmental Scheme then, provided the contribution does not exceed the limit, enter it in box 14.10 on page 5 of your Tax Return. (Only claim for payments which have not been deducted at source from your salary before tax has been charged.)

### Free-Standing Additional Voluntary Contributions Schemes

You can pay up to 15% of your salary as an MP or Minister (up to the earnings limit of £95,400 in some cases), *minus* what you paid to other schemes mentioned above, to a Free-Standing Additional Voluntary Contributions (FSAVC) Scheme. You get relief automatically at the basic rate of tax on these payments when you pay them. If you are taxable at the higher rate, further relief is available. Enter the gross amount of the FSAVC payments in box 14.11 on page 5 of your Tax Return: this is the amount you actually paid to your FSAVC provider, plus the tax relief which you deducted from the payment.

*These notes are for guidance only, and reflect the position at the time of writing. They do not affect any rights of appeal.*