



HOUSE OF LORDS

Financial support for Members: briefing note

Eligibility

Members of the House of Lords, unlike MPs in the Commons, are unsalaried. They do not receive salaries or other employment benefits, including pensions. There are two exceptions: a few office holders receive a salary, and some Ministers receive a salary from the Government for their Government roles. Attendance at the House of Lords is voluntary, but Members who do not receive a salary are eligible to receive allowances and, within certain limits, some travel expenses they incur in fulfilling their parliamentary duties. Members who receive a Ministerial or Office Holders' salary are not entitled to claim the allowances based on attendance.

Daily Allowance

Members of the House of Lords who are not paid a salary may claim a daily allowance of £323 (or may elect to claim a reduced daily allowance of £162) for each day if House of Lords records show that Members attended a sitting of the House that day or undertook qualifying work away from Westminster. It is for the individual Member to decide whether a claim for the daily allowance is made at the full rate, the reduced rate or not claimed at all.

For attendances after 20 April 2020 the scheme was amended to reflect that the House was holding proceedings differently, combining physical and virtual attendances. Only those who participate, or are otherwise necessary to the proceedings, are eligible for the daily allowance and only the reduced daily allowance (£162) can be claimed.

Further changes applied for attendances from 1 September 2020. Virtual participation in the Chamber or at a Grand Committee remains eligible for the reduced daily allowance (£162); as does voting, which continued to be done remotely. Attendance in the Chamber, or at a Grand Committee, is eligible for the daily allowance (£323). Attending a Committee of the House, whether in person or virtually, is also eligible for the daily allowance (£323). A supplementary allowance was also introduced for some members, for example, chairs of committees and opposition front bench spokespeople.

Attendance Travel Costs

In addition to the daily allowance Members are also entitled to claim travel costs to and from their registered residential address for certain parliamentary business.

Administration of the system

The House of Lords' Commission sets the rules. The rules are given to every Member and set out in the "*Guide to financial support for Members*" which is available online at:

<https://www.parliament.uk/documents/lords-finance-office/members-guide-Apr2019.pdf>

The House of Lords Finance Department administers the system and checks claims against records of attendance and registered residential address. Claims made outside the rules are rejected. Any abuses are dealt with under the system set out in the Code of Conduct. The National Audit Office audits the House of Lords' Annual Report and Resource Accounts each year.

Are the payments taxable?

No. Membership of the House of Lords is neither an office nor employment and therefore payments are not liable for income tax. This was confirmed independently by the Senior Salaries Review Body (SSRB).