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**PUBLIC SECTOR PAYMENTS BILL 2024**

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**Explanatory Memorandum**

1. This Bill is promoted by Dr. A. Allinson MHK.
2. In the opinion of the member moving the Bill its provisions are compatible with the Convention rights within the meaning of the Human Rights Act 2001.
3. *Clauses 1 and 2* provide for the short title to the Act and its commencement.
4. *Clause 3* sets out the classes of persons to whom a payment under the Act may be made. It also provides that the Treasury may pay the Lord Bishop of the Isle a sum of money in lieu of expenses but that no prescribed payment may be made to the Bishop.
5. *Clause 4* enables the Treasury to make regulations setting out what payments (prescribed payments) may be made to a person falling within a class specified in section 3. It also provides a list of things such regulations may include.
6. *Clause 5* provides that prescribed payments are to be treated as income of the recipient for income tax purposes.
7. *Clause 6* provides that the Treasury must prepare, and lay before Tynwald, an annual report in respect of prescribed payments made during a financial year. It sets out what such a report must (in particular) contain.
8. *Clause 7* introduces the Schedule which includes amendments to other enactments consequential on this Act.
9. *Clause 8* provides that, in making regulations under the Act, the Treasury may consult certain persons and may, for the purpose of making regulations, set up a consultation body.
10. *Clause 9* provides that regulations under the Act may include supplemental, incidental etc. provision.
11. *Clause 10* sets out the Tynwald procedures for orders and regulations made under the Act.
12. *Clause 11* defines certain terms used in the Act.
13. *Clause 12* repeals the *Payment of Members' Expenses Act 1989*.
14. *Clause 13* makes certain savings and transitional provision in respect of the repeal of the *Payment of Members' Expenses Act 1989* and the commencement of this Act and regulations under it.





*Ellan Vannin*

## PUBLIC SECTOR PAYMENTS BILL 2024

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*Ellan Vannin*

## PUBLIC SECTOR PAYMENTS BILL 2024

- 1 **A BILL** to enable payments to holders of certain posts or positions and members  
2 of certain bodies, and for connected purposes.

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**BE IT ENACTED** by the King's Most Excellent Majesty, by and with the advice and consent of the Council and Keys in Tynwald assembled, and by the authority of the same, as follows: —

3 **1 Short title**

4 The short title of this Act is the Public Sector Payments Act 2024.

5 **2 Commencement**

- 6 (1) This Act commences on the day or days specified in an order made by  
7 Treasury.
- 8 (2) An order may specify that this Act commences on different days for  
9 different purposes.
- 10 (3) An order may include such consequential, incidental, supplementary,  
11 savings, transitional and transitory provision as the Treasury considers  
12 necessary or expedient.

13 **3 Classes of payee**

- 14 (1) Prescribed payments may be made to the following classes of person —
- 15 (a) members of Tynwald;
- 16 (b) members of a Statutory Board;
- 17 (c) holders of a prescribed post or position (for example, a non-  
18 executive director or a departmental adviser) of a prescribed  
19 Department: this does not extend to a member of a body referred  
20 to in paragraph (e);
- 21 (d) members of a prescribed tribunal;
- 22 (e) members of a body prescribed as a departmental body;
- 23 (f) Electoral Commissioners appointed under section 57 of the  
24 *Elections (Keys and Local Authorities) Act 2020*.

- 1 (2) A prescribed payment may not be paid to the Lord Bishop of the Isle, but  
2 the Treasury may pay the Lord Bishop an amount in lieu of expenses.

#### 3 **4 Prescribed payments**

- 4 (1) The Treasury may, by regulations, make provision in respect of the  
5 making of prescribed payments to a person to whom a payment may be  
6 made under section 3.

- 7 (2) Regulations may make —

- 8 (a) the same provision for all persons of the same class referred to in  
9 each of paragraphs (a) to (f) of section 3(1);  
10 (b) different provision for persons in those classes;  
11 (c) no provision for a person in those classes.

- 12 (3) Without limiting subsection (1), regulations may make provision with  
13 respect to —

- 14 (a) the type and amount of payments;  
15 (b) exemptions and disqualifications from payments;  
16 (c) the period in respect of which payments may be made;  
17 (d) the calculation or determination of payments;  
18 (e) the automatic increase in payments whether by reference to an  
19 index such as the consumer prices index or similar index or  
20 otherwise;  
21 (f) the maximum amount of payments;  
22 (g) the payment of one type of payment in lieu of another;  
23 (h) payments to a person holding more than one post or position;  
24 (i) the commencement of entitlement to a payment;  
25 (j) the cessation of a payment;  
26 (k) the suspension of a payment;  
27 (l) continuation of payment despite loss or cessation of a post or  
28 position;  
29 (m) payments to be made on cessation, expiry or termination of a post  
30 or position;  
31 (n) the functions in respect of which a payment may be made (for  
32 example, attendance at meetings);  
33 (o) circumstances in which, times at which, or the time for which, an  
34 individual is to be treated as, or as not, engaged in carrying out a  
35 function in respect of which a payment may be made;  
36 (p) claims for payment (including way of making a claim, the time for  
37 doing so and the provision of supporting evidence).

- 38 (4) A prescribed payment cannot include a payment in respect of travel.

- 1 (5) A prescribed payment may be expressed as a monetary amount or by  
2 reference to some other determining factor (for example, pay grades, pay  
3 bands or pay spine points).
- 4 (6) A prescribed payment may be expressed as —
- 5 (a) an amount between 2 figures (an upper and lower level figure);
- 6 (b) an amount expressed by reference to a tier between a lower and  
7 upper level figure.

## 8 **5 Tax treatment of prescribed payments**

9 A prescribed payment is to be treated as income of the recipient for the purposes  
10 of income tax.

## 11 **6 Annual report**

- 12 (1) The Treasury must, in respect of a financial year, prepare an annual report  
13 in respect of payments made under this Act.
- 14 (2) Treasury must lay the report before Tynwald as soon as reasonably  
15 practicable after the end of the financial year in question.
- 16 (3) The report must, in particular, contain —
- 17 (a) a breakdown of the classes of person in respect of which a  
18 prescribed payment has been made;
- 19 (b) the total number of persons in each class referred to in  
20 paragraph (a) who have received a prescribed payment (broken  
21 down by class);
- 22 (c) the total amount of prescribed payments referred to in  
23 paragraph (b) (broken down by class) together with —
- 24 (i) the corresponding amount for the preceding financial year;
- 25 (ii) cumulative year on year total;
- 26 (d) a list of the types of prescribed payment made under this Act in the  
27 financial year in question;
- 28 (e) in the case of prescribed payments which are subject to an  
29 automatic increase or uplift (whether annually or otherwise),  
30 details of —
- 31 (i) the amount of the payment prior to its first automatic  
32 increase or uplift in the financial year in question;
- 33 (ii) the percentage amount of the increase or uplift; and
- 34 (iii) the amount payable as a result of the increase or uplift;
- 35 (f) any other information the Treasury may prescribe.
- 36 (4) A Department, Statutory Board, the General Registry, the Clerk of  
37 Tynwald's Office and an Electoral Commissioner must provide the

1 Treasury with any information the Treasury considers necessary to enable  
2 it to prepare the report.

3 (5) “Financial year” means the period beginning on the 1 April and ending on  
4 the following 31 March.

5 (6) The Treasury may, by regulations, change the dates on which a financial  
6 year begins and ends.

## 7 **7 Consequential**

8 The Schedule, which contains consequential amendments, has effect.

## 9 **8 Consultation**

10 For the purpose of making regulations under this Act, the Treasury may —

11 (a) set up a consultation body;

12 (b) consult any individual or body (including a committee or sub-  
13 committee or other representative of a body) as it considers  
14 appropriate.

## 15 **9 Regulations: supplemental**

16 Regulations may make —

17 (a) supplementary, incidental or consequential provision;

18 (b) transitory, transitional or saving provision.

## 19 **10 Tynwald procedure**

20 (1) An order under section 2 is subject to section 34 of the *Legislation Act 2015*  
21 (laying only).

22 (2) Regulations under this Act are subject to section 30 of the *Legislation*  
23 *Act 2015* (approval required)

24 This is subject to subsection (3).

25 (3) Where the only purpose of regulations is to do one or more of the  
26 following —

27 (a) record a change of name of person to whom a payment may be  
28 made under this Act;

29 (b) record a change to the title of the post or position held by a person  
30 to whom a payment may be made under this Act;

31 (c) remove a person from the list of persons to whom a payment under  
32 this Act may be made;

33 (d) change the dates on which a financial year begins and ends,

34 the regulations are subject to section 34 of the *Legislation Act 2015* (laying  
35 only).



1 **11 Interpretation**

2 (1) In this Act —

3 “**consumer prices index**” means, —

4 (a) the general index for consumer prices published by Statistics Isle of  
5 Man, Cabinet Office; or

6 (b) if that index is not published for a relevant month by Statistics Isle  
7 of Man, Cabinet Office —

8 (i) any substituted index or index figures published by it (or its  
9 successor by whatever name called); or

10 (ii) the figure for that month published by the Statistics Board  
11 (United Kingdom) for the United Kingdom.

12 “**member of Tynwald**” means a member of the Council or the Keys;

13 “**prescribed**” (unless otherwise stated) means prescribed in regulations made by  
14 the Treasury: but see subsection (2).

15 (2) Regulations under section 3(1)(e) prescribing a body as a departmental  
16 body may be made by —

17 (a) the Treasury;

18 (b) a Department with the concurrence of the Treasury.

19 **12 Repeal of Payment of Members’ Expenses Act 1989**

20 The *Payment of Members’ Expenses Act 1989* is repealed.

21 This is subject to section 13.

22 **13 Saving and transitional**

23 (1) Where, at the date this Act commences —

24 (a) a person is entitled to any one or more of the following —

25 (i) an annual sum under section 1, 2 or 3 of *Payment of Members’*  
26 *Expenses Act 1989*;

27 (ii) an attendance allowance under section 4 of that Act;

28 (iii) a travelling allowance under section 5 of that Act; and

29 (b) all or part of such a sum or allowance remains unpaid,

30 that Act shall continue to apply to that person until the sum or allowance  
31 has been paid in full.

32 (2) Every public document made under the *Payment of Members’ Expenses*  
33 *Act 1989* —

34 (a) is deemed to have been made under this Act; and

35 (b) continues in operation despite the repeal of the *Payment of Members’*  
36 *Expenses Act 1989*.



## SCHEDULE

[Section 7]

## CONSEQUENTIAL AMENDMENTS

**1 Amendment of the Stock Transfer Act 1965**

In section 1(4) (simplified transfer of securities) of the *Stock Transfer Act 1965*, omit paragraph (e).

**2 Amendment of the Manx Heritage Foundation Act 1982**

In section 7(b) (expenses from General Revenue) of the *Manx Heritage Foundation Act 1982*, for “Payment of Members’ Expenses Act 1989” substitute “*Public Sector Payments Act 202X*”.

**3 Amendment of the Statutory Boards Act 1987**

In section 4 (exercise of functions of Statutory Boards) of the *Statutory Boards Act 1987*, omit subsection (2).

**4 Amendment of the Electricity Act 1996**

- (1) Schedule 1 (the Manx Utilities Authority) to the *Electricity Act 1996* is amended as follows.
- (2) Omit paragraph 2(1).
- (3) In paragraph 3(3)(b)(officers) for “sum under the Payment of Members’ Expenses Act 1989” substitute “amount under the *Public Sector Payments Act 202X*”.

**5 Amendment of the Tourism (Registration and Grading) Act 1996**

In section 2(6) (composition of Commission) of the *Tourism (Registration and Grading) Act 1996*, for “Section 2 of the Payment of Members’ Expenses Act 1989” substitute “The *Public Sector Payments Act 20XX*”.

**6 Amendment of the Road Transport Act 2001**

In section 2(4)(proceedings of the Committee) of the *Road Transport Act 2001*, for “Payment of Members’ Expenses Act 1989” substitute “*Public Sector Payments Act 202X*”.

**7 Amendment of the Interpretation Act 2015**

In the Schedule to the *Interpretation Act 2015* (interpretation), in the definition of “government authority”, for “section 5(1)(c) of the Payment of Members’

Expenses Act 1989” substitute “regulations under the *Public Sector Payments Act 202X*”.

## 8 **Amendment of the Elections (Keys and Local Authorities) Act 2020**

- (1) The *Elections (Keys and Local Authorities) Act 2020* is amended as follows.
- (2) In section 11(7)(a)(vacancy in seat) for “Payment of Members’ Expenses Act 1989” substitute “*Public Sector Payments Act 202X*”.
- (3) For section 58 (remuneration of Electoral Commissioners) substitute —

### **“58 Remuneration of Electoral Commissioners**

The Electoral Commissioners must be paid such amounts as are prescribed under the *Public Sector Payments Act 202X*.”.



IN THE KEYS

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**PUBLIC SECTOR PAYMENTS BILL 2024**

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A **BILL** to enable payments to holders of certain posts or positions and members of certain bodies, and for connected purposes.

Approved by the Council of Ministers  
for introduction in the House of Keys.

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DR ALLINSON

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APRIL 2024