

[A certain bravery here](#) [1]

Written by [Tim Worstall](#) [2] | Sunday 4 May 2008



But I think I'll put the boot in anyway, because I'm nice like that. Richard Spring MP has given the details of his income as an MP on his [blog here](#) [3].

Firstly, my own monthly salary. After deductions it is exactly £3,250.53. Deductions include 10% of the gross figure of £5151.67 for the parliamentary pension scheme (£515.17).

Certainly that's an interesting example of average tax rates on a not especially large salary: adding back in the pension contribution, that's 27% off the top in taxes. Now while many around here disagree with me I'm of the opinion that the number of people clamouring to become MPs means that the wage paid should fall, but leave that aside for a moment. The point I really want to look at is this:

By June next year I will have been an MP for 17 years. If I were to stand down as an MP then and elect to draw my pension, my pension would be £22,952.41 per annum, slightly above the average parliamentary pension.

Well, 17 years of £515.17 a month (clearly it would have been lower in earlier years, but bear with me) would be a pension fund of £105,000 ish or some £7,000 a year as a pension. Hmm, yes, getting a £23,000 a year pension off that fund would be rather an achievement, wouldn't it? Even if we compound the interest at 8% on the payments into the scheme it gives us a fund of only £225,000 (and that's being absurdly generous, assuming that the payments in have been at £515 a month for 17 years). Given [current annuity rates](#) [4] for a 60 year old, that would give a pension of some £14,000 a year.

But whether readers of this blog feel that my own contributory pension is generous enough to be described as ?platinum plated? or a ?goldmine? is for them to decide. I simply state the facts.

Platinum plated or a goldmine is indeed in the eye of the beholder: but I think the stated facts would support such a description?

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Links:

[1] <http://www.adamsmith.org/blog/miscellaneous/a-certain-bravery-here>

[2] <http://www.adamsmith.org/taxonomy/term/5778>

[3] <http://richardspring.mpblogs.com/2008/05/01/salaries-and-pensions/>

[4] http://www.annuity-bureau.co.uk/AF_CMS/Resources/Annuity%20bureau/rates_level.html

[5] http://disqus.com/?ref_noscript

[6] <http://disqus.com>