

# MEMBER INDUCTION

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# SCHEME OF MEMBERS' ALLOWANCES



# WHAT ARE MEMBERS' ALLOWANCES

“A set of payments intended to ensure that Members are not out of pocket because they are undertaking duties as a Sefton Councillor”



# TYPES OF ALLOWANCES

## Basic Allowance

- Flat rate paid to all Councillors

## Special Responsibility Allowances

- A variable set of payments for Members with additional responsibilities/duties

Allowances are

- Paid automatically
- Subject to Income Tax and National Insurances
- Eligible payments for pensions purposes



# EXPENSES

- Are payments to reimburse expenditure and
- Are not subject to Tax/National Insurance

The Inland Revenue view expenses as being expenditure which is “wholly”, exclusively and necessarily” incurred in the performance of your duties

- Must be claimed and include
  - Travel Costs
  - Subsistence
  - Dependent Carers Allowance



# TRAVEL COSTS

Members are encouraged to use the most cost effective methods of transport available and they can claim travelling expenses for journeys outside of the Sefton boundary

**Public Transport – receipts are required for all journeys**

**Trains** – Kathy Stephens in the Corporate Resources Department will arrange tickets for long distance travel

**Air** – Always ask prior to booking !

**Taxis** – restricted use

**Cars** – there are set rates per mile



# DEPENDENT CARERS ALLOWANCE

- Provides assistance with care costs e.g. Baby sitting
- Current rate £7.20 per hour (10 hrs per week max)  
Receipts are required



# TAXATION AND N.I. CONTRIBUTIONS

- Allowances are subject to Income Tax and N.I.
- Expenses are exempt
- Offsetting tax liability – legitimate expenses
  - Household expenses
  - Telephone expenses
  - Travel costs for ward duties





# CONCLUSION

- Every Councillor receives a Basic Allowance
- SRA are restricted to Members with additional duties/responsibilities
- Allowances are subject to Tax and NI and paid automatically into your bank
- Expenses must be claimed
- Claim monthly
- Receipts must be provided
- Members are requested to use the most effective method of transport



