

CONFIDENTIAL

PRIME MINISTER

PAY OF MPs AND MINISTERS: STAGING

Relevant decisions of the previous Government on staging were:-

- (a) Top Salaries 1978: 10 per cent on 1 January 1978; half balance 1 April 1979; remainder 1 April 1980. Total staging period $2\frac{1}{4}$ years. Extra 3 months arose from an earlier decision to shift the TSRB groups from a January to an April settlement date.
- (b) Doctors and Dentists 1978: 10 per cent 1 April 1978; half balance 1 April 1979; remainder 1 April 1980. Total staging period 2 years.
- (c) Armed Forces 1978: 10 per cent 1 April 1978; half balance 1 April 1979; remainder 1 April 1980. Total staging period 2 years.
- (d) Police 1978: Half Edmond-Davies award September 1978; remainder September 1979. Total staging period 1 year.
- (e) Civil Service PRU 1979: 9 per cent 1 April 1979; 5 per cent 1 August 1979; balance 1 January 1980. Total staging period 9 months.
- (f) Nurses 1979: 9 per cent plus £2.50 1 April 1979; half balance 1 August 1979; remainder 1 April 1980. Total staging period 1 year.

2. Decisions of this Government:-

- (a) Armed Forces: Final stage brought forward to Apr. 1979. New total staging period 12 months.
- (b) Police: Final stage brought forward to May 1979. Total staging period 8 months.
- (c) Teachers: 9 per cent plus 1 April 1979; half balance January 1980; remainder September 1980. Total staging period 18 months.

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(d) Top Salaries and Doctors and Dentists: The previous staging (2 years) confirmed.

3. Discussion in Cabinet this morning concentrated on two staging periods: June 1979, January 1980, June 1980; June 1979, June 1980, June 1981. One-third of the increase to be paid in each stage. It was agreed that the staging decision for MPs and Ministers should not be more favourable than the treatment afforded by this Government to others.

4. Decision to stage Teachers over 18 months and not deliberately to shorten the previous Government's staging decisions on Top Salaries and Doctors and Dentists would, on this basis, appear to rule out a 12 months staging for MPs and Ministers. In terms of the options discussed in Cabinet the answer would therefore appear to be staging over 2 years - June 1979, June 1980, June 1981 - with one-third of the recommended increase paid at each stage.

JG

Cabinet Office

20 June 1979

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MR WHITMORE

cc: Mr Vile

MINISTERS' PAY

You asked me when the arrangements agreed today about Ministers' salaries would involve an increase in the Prime Minister's salary. I have consulted the CSD and the answer is in June 1981. The figures are:-

	<u>Present Ministerial Salary</u>	<u>June 1979</u>	<u>June 1980</u>	<u>June 1981</u>
Cabinet Ministers	£14,300	£17,866	£21,432	£25,000
Prime Minister	£22,000	£22,000	£22,000	£25,000



P Le CHEMINANT

Cabinet Office
20 June 1979