

SCHEDULES

SCHEDULE 13

Calculation of pension

PART 4

Premature retirement pension

Calculation of amount of premature retirement pension

- 7.—(1) The annual rate of premature retirement pension payable to the member (M) is found by—
- (a) taking the amount of full retirement earned pension specified in M's pensioner member's account;
 - (b) applying the actuarial reduction (if any) specified in that account in relation to that amount;
 - (c) subtracting the conversion amount (if any) specified in that account in relation to that amount;
 - (d) subtracting the allocation amount (if any) specified in that account in relation to that amount;
 - (e) adding the amount of full retirement additional pension (if any) specified in that account;
 - (f) applying the actuarial reduction (if any) specified in that account in relation to that amount; and
 - (g) subtracting the conversion amount (if any) specified in that account in relation to that amount.
- (2) Sub-paragraph (3) applies if—
- (a) M has received a related payment in respect of the termination of the employment;
 - (b) the terms and conditions relating to the employment require the payment to be reduced to take account of any contribution the employing authority is required to make to the scheme manager pursuant to regulation 35; and
 - (c) the payment has not been reduced.
- (3) The amount of the payment (or, if there is more than one payment, the aggregate amount of those payments) is deducted from the amount of the pension.
- (4) Sub-paragraph (5) applies if—
- (a) the reason for the termination is redundancy; and
 - (b) the contribution paid by the employing authority under regulation 35 is insufficient to meet the cost of the pension.
- (5) The amount of pension is reduced by the appropriate amount.
- (6) The appropriate amount is the amount determined by the scheme manager as being necessary to ensure that the cost does not exceed the payment, unless and to the extent that a contribution paid by M under regulation 32 makes up the insufficiency.

Status: This is the original version (as it was originally made).

- (7) In sub-paragraph (2) a related payment is—
- (a) a redundancy payment under the Employment Rights Act 1996⁽¹⁾,
 - (b) a corresponding payment under the arrangements of the Whitley Councils for the Health Services of Great Britain, or
 - (c) a payment made by virtue of any of the arrangements made pursuant to paragraph 26(3) of Schedule 4 to the 2006 Act⁽²⁾ or paragraph 26(3) of Schedule 3 to the 2006 (Wales) Act.
- (8) The cost referred to in sub-paragraph (4) is the amount which the scheme manager determines is necessary to buy out the cost of the actuarial reduction that would apply if the pension were calculated under paragraph 6 of this Schedule.
- (9) The cost does not include the cost of early payment of an additional pension under Chapter 5 of Part 4.
- (10) In determining the amount under sub-paragraph (6) or (8), the scheme manager must have regard to the advice of the scheme actuary.
- (11) For the purposes of sub-paragraph (1)(b), the actuarial reduction must take account of—
- (a) any buy-out election under Chapter 3 of Part 4;
 - (b) the scheme years that fall within the buy-out period (see regulation 45(6)); and
 - (c) in relation to each such scheme year, the number of years in respect of which the actuarial reduction is bought out.

(1) 1996 c.18.

(2) Paragraph 26(3) is prospectively repealed by section 179(2) of the Health and Social Care Act 2012 (c.7).