

SCHEDULES

SCHEDULE 5

PENSIONS: MISCELLANEOUS AMENDMENTS AND ALTERNATIVE TO ANTI-FRANKING RULES

PART II

ALTERNATIVE TO ANTI-FRANKING RULES

Cases in which alternative applies

12.—(1) Subject to the following provisions of this paragraph, this Part applies, instead of Chapter III of Part IV of the Pension Schemes Act (anti-franking rules), in the case of a person (“the pensioner”) who is entitled to benefits under any occupational pension scheme if the benefits to which he is entitled under the scheme include a guaranteed minimum pension.

(2) This Part does not apply in the pensioner’s case, instead of Chapter III of Part IV of the Pension Schemes Act, unless—

- (a) the pensioner is a member of the scheme who, in relation to that scheme, left pensionable service after the coming into operation of this Part;
- (b) the pensioner is the widow or widower of a member of the scheme whose pensionable service ended (by death or otherwise) after the coming into operation of this Part; or
- (c) sub-paragraph (3) applies to the benefits to which the pensioner is entitled under the scheme.

(3) This sub-paragraph applies to the benefits to which the pensioner is entitled under the scheme if—

- (a) the time at which the benefits first become payable is after the coming into operation of this Part;
- (b) the benefits do not first become payable in respect of the death of a member of the scheme to whom benefits had already become payable under the scheme before the coming into operation of this Part; and
- (c) the trustees or managers of the scheme have elected, in the prescribed manner, that this Part should apply to benefits first becoming payable under the scheme after the coming into operation of this Part.

(4) This Part does not apply in the pensioner's case (and, accordingly, Chapter III of Part IV of the Pension Schemes Act does) if the scheme is a scheme of a prescribed description, unless the trustees or managers of the scheme have elected, in the prescribed manner, that this Part should apply in the case of the scheme.

(5) An election for the purposes of any provision of this paragraph—

(a) shall not be exercisable differently in relation to different members of the scheme; and

(b) once exercised, shall be irrevocable.