

SCHEDULE 1

Payments for extra pension

PART 2

Payments for added pension

CHAPTER 4

Lump sum payments for added pension made by employer or third party

Application of Chapter

20. This Chapter applies in relation to an employer or third party who opts to make a lump sum payment for added pension in relation to an active member of this scheme.

Employer or third party option to make a lump sum payment for added pension

21.—(1) An employer or third party may exercise the option to make a lump sum payment for added pension by notice to the scheme manager in a form required by the scheme manager.

(2) The option notice must specify the amount by which the member's added (self only) pension or added (all beneficiaries) pension for the relevant scheme year is to be increased.

(3) The amount of the lump sum payment is—

- (a) if the option notice specifies an increase in the member's added (self only) pension, an amount determined by the scheme manager, after consultation with the scheme actuary, having regard to the cost as at the relevant day of providing retirement benefits to a person of the member's age and gender; and
- (b) if the option notice specifies an increase in the member's added (all beneficiaries) pension, an amount determined by the scheme manager, after consultation with the scheme actuary, having regard to the cost as at the relevant day of providing retirement benefits to—
 - (i) a person of the member's age; and
 - (ii) the dependants of such a person.

(4) The lump sum payment must be paid in a manner determined by the scheme manager after consultation with the scheme actuary.

(5) The scheme manager must notify the employer or third party of the amount of the lump sum and the manner in which it is to be paid.

Amount of added (self only) pension (lump sum payment)

22.—(1) This paragraph applies if an employer or third party opts to make a lump sum payment to increase the member's added (self only) pension.

(2) On payment of the lump sum by the employer or third party an amount of added (self only) pension is credited to the active member's account in the relevant scheme year.

(3) The amount credited to the account is an amount determined by the scheme manager, after consultation with the scheme actuary, having regard to the amount of the lump sum payment.

Amount of added (all beneficiaries) pension (lump sum payment)

23.—(1) This paragraph applies if an employer or third party opts to pay a lump sum to increase the member's added (all beneficiaries) pension.

(2) On payment of the lump sum by the employer or third party an amount of added (all beneficiaries) pension is credited to the active member's account in the relevant scheme year.

(3) The amount credited to the account is an amount determined by the scheme manager, after consultation with the scheme actuary, having regard to the amount of the lump sum payment.