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*Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

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## SCHEDULES

### SCHEDULE 1

#### PROFIT-RELATED PAY SCHEMES: CONDITIONS FOR REGISTRATION

##### *Profit periods.*

- 9           The scheme must identify the accounting period or periods by reference to which any profit-related pay is to be calculated.
- 10   (1) Subject to sub-paragraphs (2) and (3) below, any such accounting period must be a period of twelve months.
- (2) If the scheme is a replacement scheme, the first of two profit periods may be a period of less than twelve months, but the scheme may not provide for more than two profit periods.
- (3) The scheme may make provision for a profit period to be abbreviated where registration of the scheme is cancelled with effect from a day after the beginning of the period; and a scheme making such provision may exclude the operation of all or any of the provisions of paragraph 13(4) and (5) or (as the case may be) paragraph 14(3)(b), (4) and (5) below in relation to the determination of the distributable pool for an abbreviated period.
- (4) For the purposes of this paragraph, a scheme is a replacement scheme if—
- (a) it succeeds another scheme (or two or more other schemes) registration of which was cancelled under section 10(1)(a) of this Act on the ground of a change in the employment unit or in the circumstances relating to the scheme, and
  - (b) that change occurred not more than three months before the beginning of the first (or only) profit period of the new scheme, and the Board are satisfied that it was not brought about with a view to the registration of the new scheme or in circumstances satisfying the conditions in section 9(1)(a), (b) and (c) of this Act, and
  - (c) not less than one half of the employees to whom the new scheme relates were employees to whom the previous scheme (or any of the previous schemes) related at the time of that change.