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SCHEDULES

SCHEDULE 3

OCCUPATIONAL PENSION SCHEMES

PART II

SCHEMES APPROVED BEFORE THE PASSING OF THIS ACT

Accelerated accrual.

- 19 (1) This paragraph applies where an employee becomes a member of the scheme on or after 17th March 1987.
- (2) Notwithstanding anything to the contrary in the rules of the scheme, they shall have effect as if they did not allow the provision for the employee of a pension exceeding one-thirtieth of his relevant annual remuneration for each year of service up to a maximum of 20.
- 20 (1) This paragraph applies where an employee becomes a member of the scheme on or after 17th March 1987 and the scheme allows him to commute his pension or part of it for a lump sum or sums.
- (2) If the employee's full pension (that is, the pension before any commutation) is equal to or less than a basic rate commutable pension, the rules of the scheme shall have effect (notwithstanding anything in them to the contrary) as if they did not allow him to obtain by way of commutation a lump sum or sums exceeding in all a basic rate lump sum.
- (3) If the employee's full pension is greater than a basic rate commutable pension but less than a maximum rate commutable pension, the rules of the scheme shall have effect (notwithstanding anything in them to the contrary) as if they did not allow him to obtain by way of commutation a lump sum or sums exceeding in all the aggregate of—
- (a) a basic rate lump sum, and
 - (b) an amount equal to the relevant percentage of the difference between a basic rate lump sum and a maximum rate lump sum.
- (4) In this paragraph, as it applies in relation to an employee—
- (a) a “basic rate commutable pension” means a pension of one-sixtieth of his relevant annual remuneration for each year of service up to a maximum of 40;
 - (b) a “maximum rate commutable pension” means a pension of one-thirtieth of his relevant annual remuneration for each year of service up to a maximum of 20;
 - (c) a “basic rate lump sum” means a lump sum of three-eightieths of his relevant annual remuneration for each year of service up to a maximum of 40;

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- (d) a “maximum rate lump sum” means a lump sum of such amount as may be determined by or under regulations made by the Board for the purposes of this paragraph and paragraph 21 below;
 - (e) “the relevant percentage” means the difference between a basic rate commutable pension and the employee’s full pension expressed as a percentage of the difference between a basic rate commutable pension and a maximum rate commutable pension.
- (5) Regulations under this paragraph shall be made by statutory instrument.
- 21 (1) This paragraph applies where an employee becomes a member of the scheme on or after 17th March 1987 and the scheme provides a lump sum or sums for him otherwise than by commutation of his pension or part of it.
- (2) If the employee’s pension is equal to or less than a basic rate non-commutable pension, the rules of the scheme shall have effect (notwithstanding anything in them to the contrary) as if they did not allow the payment to him, otherwise than by way of commutation, of a lump sum or sums exceeding in all a basic rate lump sum.
- (3) If the employee’s pension is greater than a basic rate non-commutable pension but less than a maximum rate non-commutable pension the rules of the scheme shall have effect (notwithstanding anything in them to the contrary) as if they did not allow the payment to him, otherwise than by way of commutation, of a lump sum or sums exceeding in all the aggregate of—
- (a) a basic rate lump sum, and
 - (b) an amount equal to the relevant percentage of the difference between a basic rate lump sum and a maximum rate lump sum.
- (4) In this paragraph, as it applies in relation to an employee—
- (a) a “basic rate non-commutable pension” means a pension of one-eightieth of his relevant annual remuneration for each year of service up to a maximum of 40;
 - (b) a “maximum rate non-commutable pension” means a pension of one-fortieth of his relevant annual remuneration for each year of service up to a maximum of 20;
 - (c) “basic rate lump sum” and “maximum rate lump sum” have the same meanings as in paragraph 20 above; and
 - (d) “the relevant percentage” means the difference between a basic rate non-commutable pension and the employee’s actual pension expressed as a percentage of the difference between a basic rate non-commutable pension and a maximum rate non-commutable pension.