

Status: Point in time view as at 08/04/2019.

Changes to legislation: Pension Schemes (Northern Ireland) Act 1993, Cross Heading: The final salary method is up to date with all changes known to be in force on or before 31 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 2

METHODS OF REVALUING ACCRUED PENSION BENEFITS

The final salary method

1 [F1(1) The final salary method is to add to the amount that would be payable but for Chapter 2 of Part 4, or regulations made under it, the additional amount specified in subparagraph (1A), (1B), (1C) or (1D) (whichever applies).

(1A) Where—

- (a) the termination of pensionable service occurs before 1st January 1991, and
- (b) the whole of the member's pensionable service falls on or after 1st January 1985,

the additional amount is the appropriate higher revaluation percentage of the accrued benefit.

(1B) Where—

- (a) the termination of pensionable service occurs before 1st January 1991, and
- (b) some of the member's pensionable service falls before 1st January 1985,

the additional amount is such proportion of the appropriate higher revaluation percentage of the accrued benefit as the member's pensionable service falling on or after 1st January 1985 bears to the member's total pensionable service.

(1C) Where the termination of pensionable service occurs—

- (a) on or after 1st January 1991, but
- (b) before the day on which section 80 of the Pensions (No. 2) Act (Northern Ireland) 2008 comes into operation (“the Pensions Act commencement day”),

the additional amount is the appropriate higher revaluation percentage of the accrued benefit.

(1D) Where the termination of pensionable service occurs on or after the Pensions Act commencement day, the additional amount is the aggregate of—

- (a) the appropriate higher revaluation percentage of so much of the accrued benefit as is attributable to the member's pensionable service falling before the Pensions Act commencement day, and
- (b) the appropriate lower revaluation percentage of so much of the accrued benefit as is attributable to the member's pensionable service falling on or after that day.

(1E) In this paragraph “the accrued benefit” means the amount of the pension or other benefit which on the termination date has accrued to the member or to any other person in respect of the member (excluding any part of that amount which consists of—

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- (a) the member's guaranteed minimum, or
 - (b) the guaranteed minimum of the member's widow, widower or surviving civil partner).
- (2) For the purposes of this paragraph, a member's pensionable service includes any notional pensionable service which is credited to the member by the scheme (“notional service”).
- But notional service shall not be taken into account in determining which of sub-paragraphs (1A), (1B), (1C) and (1D) applies.
- (3) For the purposes of determining the additional amount where sub-paragraph (1B) applies, any notional service shall be taken to have ended immediately before the member's actual pensionable service began.
- (3A) For the purposes of determining the additional amount where sub-paragraph (1D) applies, any notional service shall be treated as falling on or after the Pensions Act commencement day only if, or to the extent that, it is so treated for the purposes of the scheme.]
- (4) Any rule of a scheme the effect of which is that benefit falls to be revalued by reference to any period is to be disregarded in making any calculation required by this method.
- [^{F2}(5) The sub-paragraphs above are subject to sub-paragraph (6).
- (6) If paragraph 2A applies to the pension or other benefit, the final salary method is to apply the requirement of the rules of the scheme mentioned in paragraph 2A(1).]

Textual Amendments

- F1** Sch. 2 para. 1(1)-(3A) substituted for Sch. 2 para. 1(1)-(3) (6.4.2009) by [Pensions \(No. 2\) Act \(Northern Ireland\) 2008 \(c. 13\), s. 118\(1\), Sch. 1 para. 2](#) (with ss. 73, 80(2)); S.R. 2009/22, art. 2(2)(c)
- F2** Sch. 2 para. 1(5)(6) added (7.6.2012) by [Pensions Act \(Northern Ireland\) 2012 \(c. 3\), ss. 20\(5\), 34\(3\); S.R. 2012/233, art. 2\(2\)\(e\)](#)

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