

## SCHEDULES

### SCHEDULE 7

#### PENSION COMPENSATION PROVISIONS

##### *Annual increase in periodic compensation*

- 28 (1) This paragraph provides for the increases mentioned in sub-paragraph (3)(b) of paragraphs 3, 5, 8, 11, 15 and 22.
- (2) Where a person is entitled to periodic compensation under any of those paragraphs, he is entitled, on the indexation date, to an increase under this paragraph of—
- (a) the appropriate percentage of the amount of the underlying rate immediately before that date, or
  - (b) where the person first became entitled to the periodic compensation during the period of 12 months ending immediately before that date, 1/12th of that amount for each full month for which he was so entitled.
- (3) In sub-paragraph (2)—
- “appropriate percentage” means the lesser of—
    - (a) the percentage increase in the retail prices index for the period of 12 months ending with the 31st May last falling before the indexation date, and
    - (b) 2.5%;
  - “indexation date” means—
    - (a) the 1st January next falling after a person first becomes entitled to the periodic compensation, and
    - (b) each subsequent 1st January during his lifetime;
  - “underlying rate” means, in the case of periodic compensation under any of the paragraphs mentioned in sub-paragraph (1), the aggregate of—
    - (a) so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to post-1997 service, and
    - (b) the amount within sub-paragraph (3)(b) of that paragraph immediately before the indexation date.
- (4) Where paragraph 26(3) (compensation cap) applies to restrict the amount of periodic compensation under one of the paragraphs mentioned in sub-paragraph (1), the amount mentioned in sub-paragraph (3)(a) of the paragraph in question is attributable to post-1997 service and pre-1997 service in the same proportions as the amount so mentioned would have been so attributable had paragraph 26(3) not applied.
- (5) Where a portion of periodic compensation under one of the paragraphs mentioned in sub-paragraph (1) has been commuted under paragraph 24—
- (a) for the purposes of sub-paragraph (2), the definition of “underlying rate” in sub-paragraph (3) applies as if the reference in paragraph (a) of the definition

---

*Status: This is the original version (as it was originally enacted).*

---

- to the amount mentioned in sub-paragraph (3)(a) of the paragraph in question was a reference to that amount reduced by the commutation percentage, and
- (b) that amount (as so reduced) is attributable to post-1997 service and pre-1997 service in the same proportions as that amount would have been so attributable had no part of the periodic compensation been commuted.
- (6) In this paragraph—
- “post-1997 service” means—
- (a) pensionable service which is within paragraph 36(4)(a) and occurs on or after 6th April 1997, or
- (b) pensionable service which is within paragraph 36(4)(b) and meets such requirements as may be prescribed;
- “pre-1997 service” means—
- (a) pensionable service which is within paragraph 36(4)(a) and occurred before 6th April 1997, or
- (b) pensionable service which is within paragraph 36(4)(b) and meets such requirements as may be prescribed;
- “the commutation percentage”, in relation to periodic compensation, means the percentage of that compensation commuted under paragraph 24.
- (7) But in this paragraph, in relation to any relevant pension credit amount, “post-1997 service” and “pre-1997 service” have such meanings as may be prescribed.
- (8) In sub-paragraph (7), “relevant pension credit amount” means an amount mentioned in sub-paragraph (3)(a) of—
- (a) paragraph 3,
- (b) paragraph 5, or
- (c) paragraph 15 as it applies by virtue of paragraph 21,
- which is attributable (directly or indirectly) to a pension credit.
- (9) This paragraph is subject to paragraph 29 (Board’s power to alter rates of revaluation and indexation).