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SCHEDULES

SEVENTH SCHEDULE

TRANSITIONAL PROVISIONS

PART IV

PENSIONS

Employees' rights to continue to participate in pension schemes after transfer

- 12 (1) A person who at any time after the passing of this Act and before the vesting date ceases to be in the employment of the Commission and thereupon becomes an employee of a subsidiary of the Commission or an employee of a Board or of the Holding Company shall not in consequence cease to be eligible to participate in any pension scheme in which he was a participant immediately before he ceased to be in the employment of the Commission.
- (2) A person who at any time after the passing of this Act and before the vesting date ceases to be in the employment of a subsidiary of the Commission and thereupon becomes an employee of the Commission or of another subsidiary of the Commission, or an employee of a Board or of the Holding Company, shall not in consequence cease to be eligible to participate in any pension scheme in which he was a participant immediately before he ceased to be in the employment of the first-mentioned subsidiary of the Commission.
- (3) A person who on the vesting date ceases to be in the employment of the Commission and thereupon becomes an employee of a Board or a subsidiary of a Board, or of the Holding Company or of a subsidiary of the Holding Company, shall not in consequence cease to be eligible to participate in any pension scheme in which he was a participant immediately before he ceased to be in the employment of the Commission.
- (4) A person who on the vesting date ceases to be in the employment of a subsidiary of the Commission and thereupon becomes an employee of a Board or a subsidiary of a Board, or of the Holding Company or of a subsidiary of the Holding Company, shall not in consequence cease to be eligible to participate in any pension scheme in which he was a participant immediately before he ceased to be in the employment of the subsidiary of the Commission.
- (5) In the application of this paragraph to a pension scheme the benefits under which are or will be receivable as of right, persons who have obtained pension rights under the scheme without having contributed under the scheme shall be regarded as participants in the scheme; and references to being eligible to participate in a pension scheme shall be construed accordingly.
- 13 (1) The Minister may make orders with respect to the provision of pensions by a subsidiary of the Commission, or by a Board or the Holding Company, in the period

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before the vesting date, and shall in exercise of his power under this paragraph make such provision as appears to him expedient for ensuring that persons who become employees of the Hotel Company before the vesting date, whether previously in the employment of the Commission or not, are afforded such pension rights as they would have had if the Hotel Company's undertaking had formed part of the Commission's undertaking until the vesting date.

- (2) Subsections (3) to (9) of section seventy-four of this Act shall apply to orders under this paragraph with any necessary modifications.
- (3) An order under the said section seventy-four may amend or revoke an order under this paragraph.

Provisions to be included in orders about pensions

- 14 (1) The Minister shall in exercise of the powers conferred on him by section seventy-four of this Act provide for the transfer on the vesting date of the rights, liabilities and functions of the Commission relating to pensions or pension schemes, and any securities held by the Commission on trust for a pension scheme, to the Boards and the Holding Company or, in such cases as appear to the Minister appropriate, to a subsidiary of a Board or a subsidiary of the Holding Company, or to trustees or to the persons administering a pension scheme, and, except so far as is provided by an order under the said section seventy-four, Part II of this Act shall not apply to any such rights, liabilities, functions or property.
- (2) The Minister shall, in exercise of the powers conferred on him by section seventy-four of this Act, make such provision as appears to him expedient—
 - (a) with respect to persons who in consequence of the reorganisation effected by this Act leave the employment of the Commission at any time after the passing of this Act—
 - (i) so as to enable those who become employees of any of the Boards or the Holding Company, or of a subsidiary of any of the Boards or of the Holding Company, and who suffer any diminution of their emoluments or change in the nature or terms of their employment in consequence of the re-organisation effected by this Act, to avoid any corresponding diminution in, or consequent loss of, any pension, and
 - (ii) so as to preserve the rights under any pension scheme of those who do not become employees of any such body; and
 - (b) for modifying contributory pension schemes so as to afford to persons who become employees of any such body after the vesting date opportunities for participation similar to those afforded to persons who are in comparable service with the body and who entered the employment of the body on or before the vesting date.
- (3) Paragraph 12 of this Schedule shall have effect subject to any order under section seventy-four of this Act taking effect at any time after the vesting date.

Existing pensions payable by Commission as of grace

- 15 (1) This paragraph applies to annual and other periodical payments which the Commission have been making in the period before the vesting date, but which the Commission are not by law obliged to make.

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- (2) The Commission shall as soon as practicable after the passing of this Act prepare a scheme for the distribution among the Boards and the Holding Company of responsibility for continuing to make the annual or other periodical payments to which this paragraph applies in accordance with the arrangements under which the Commission were making those payments.
 - (3) A scheme under this paragraph—
 - (a) may require the Boards and the Holding Company to give to the persons by whom payments will be receivable in accordance with the scheme information as to the effect of the scheme, and
 - (b) may provide for any of those bodies contributing to the expenses incurred by any other of them, and
 - (c) may contain such other supplementary, incidental and consequential provisions as appear to the Commission expedient.
 - (4) The Commission shall submit any such scheme to the Minister and, if the Minister is satisfied that responsibility for the payments is distributed among the said bodies in an appropriate manner and that the scheme contains sufficient particulars to enable them to discharge their duties under the scheme, he shall approve the scheme.
 - (5) Notice that the scheme has been so approved shall be published by the Commission in the London and Edinburgh Gazettes.
 - (6) The payments which the Boards and the Holding Company are respectively to make in accordance with a scheme approved under this paragraph shall be recoverable by proceedings in any court of competent jurisdiction.
 - (7) An order under section seventy-four of this Act may vary the provisions of a scheme under this paragraph.
- 16 (1) If it appears to the Minister, upon representations made to him by, or on behalf of, any person, or class of persons, affected, that any pensions for persons employed before, but retiring after, the vesting date, or any other pensions payable after the vesting date (other than by way of continuing periodical payments which the Commission have been making in the period before the vesting date) would be receivable, although not as of right, under arrangements made by or with the Commission before the vesting date and that they ought to be receivable as of right, he shall by order direct the Commission by a scheme under the last foregoing paragraph to distribute among the Boards and the Holding Company responsibility for making payments under the arrangements specified in the order as if those payments were payments which the Commission were making in the period before the vesting date.
- (2) An order under this paragraph shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Continuation of existing pension regulations, etc.

- 17 (1) Sections ninety-eight to one hundred of the ^{M1}Transport Act 1947, and section twenty-seven of the ^{M2}Transport Act 1953 (which relate to pensions), shall cease to have effect on the vesting date, but that shall not affect—
- (a) regulations made under the said section ninety-eight or the said section twenty-seven, or

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- (b) any liability in relation to customary obligations arising by virtue of subsection (2) of the said section ninety-nine and transferred under this Part of this Schedule, or
 - (c) the participation in any pension scheme of a person who became such a participant before the vesting date by virtue of subsection (3) of the said section ninety-nine, or
 - (d) the provisions of subsections (3) and (4) of the said section ninety-nine and the said section one hundred as they apply to service before the vesting date.
- (2) If at any time after the vesting date the Minister is satisfied, or it is determined under the next following sub-paragraph, that regulations under the said section ninety-eight have failed to secure the result mentioned in subsection (3) of that section (that is to say that certain persons having pension rights are not placed in any worse position by reason of provisions of the regulations), the Minister shall as soon as possible exercise the power conferred on him by section seventy-four of this Act to make the necessary amendments.
- (3) If—
- (a) any dispute arises between the Minister and any persons as to whether the said result has been secured by any regulations under the said section ninety-eight or
 - (b) any question arises as to the existence or extent of any customary obligation arising by virtue of subsection (2) of the said section ninety-nine and transferred under this Part of this Schedule,
- the dispute or question shall, in default of agreement, be referred for determination to a referee or board of referees appointed by the Minister of Labour, after consultation with the Lord Chancellor or, where the proceedings are to be held in Scotland, after consultation with the Secretary of State; and the Boards shall give effect to any determination under paragraph (b) of this sub-paragraph.
- (4) The Minister of Labour may, with the consent of the Treasury, pay out of money provided by Parliament—
- (a) to any referee or to the members of any board of referees appointed under the last foregoing sub-paragraph such fees and allowances as he may with the consent of the Treasury determine, and
 - (b) to persons giving evidence before any such referees or board such allowances as he may with the consent of the Treasury determine.
- (5) Nothing in [^{F1}Part I of the Arbitration Act 1996], shall be construed as applying to any proceedings before a referee or board of referees appointed under this paragraph.
- (6) It is hereby declared that where actual service in the employment of the Commission immediately precedes or follows service which is treated as such by virtue of subsection (4) of section ninety-nine of the ^{M3}Transport Act 1947, for the purposes of a pension scheme, the two periods of service shall be treated for those purposes as continuous.

Textual Amendments

F1 Words in Sch 7 Pt. IV para. 17(5) substituted (31.1.1997) by 1996 c. 23, s. 107(1), Sch. 3 para. 16(4) (with s. 81(2)); S.I. 1996/3146, art. 3 (subject to transitional provisions in Sch. 2, art. 4).

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Modifications etc. (not altering text)

C1 Para. 17(3) amended by [Employment Protection \(Consolidation\) Act 1978 \(c. 44\)](#), s. 130, **Sch. 10 para. 21**

Marginal Citations

M1 1947 c. 49.

M2 1953 c. 13.

M3 1947 c. 49.

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