SCHEDULE 1

Regulation 11(4)

PENSION PROVIDERS

The Society

Eagle Star Insurance Company Limited

Legal and General Assurance Society Limited

Prudential Corporate Pensions

Scottish Widows' Fund and Life Assurance Society

The Standard Life Assurance Company

Sun Life Assurance Society PLC

SCHEDULE 2

Regulation 13

BENEFIT LIMITS

PART I

interpretation

1. Paragraphs 2 to 5 have effect for defining expressions used in this Schedule.

2. “Total retirement benefits” means the total of so much of—

(a) the annual rate of the participator’s retirement pension under these Regulations,

(b) the annual rate of any pension under regulations B1 to B5 of the 1987 Regulations, and

(c) the actuarial equivalent as an annual pension of any gratuity under regulations B2 to B4 of the 1987 Regulations,

as is not attributable to the receipt of any transfer value, together with the annual rate of any pension payable to him under a free-standing additional voluntary contributions scheme.

3.—(1) “Final remuneration” means the greater of A and B, where—

A is the participator’s highest year’s adjusted earnings during the period of 5 years ending on the material date, and

B is the average of his total taxable earnings for any period of 3 or more consecutive years ending no earlier than 10 years before the material date,

but, in respect of any year other than the one ending on the material date, earnings are to be taken to have been increased in proportion to any increase in the Index from the end of the year up to the material date.

(2) In this paragraph “adjusted earnings” means C + D, where—

C is the participator’s total taxable earnings for the year in question less any bonus payments and payments for overtime (“fluctuating emoluments”),

and D is the average, for a period ending with the year in question, of any fluctuating emoluments; the period is one of at least 3 years or, if shorter, the period during which the fluctuating emoluments have been payable,

and “the material date” means the earliest of—

(a) the retirement date, and

(b) the date on which the participator ceased to be a pensionable policeman.

4.—(1) "Retained benefits" means the total of any pensions payable to the participator—

(a) in respect of employment before he became a pensionable policeman, under a retirement benefits scheme (within the meaning of section 611 of the Taxes Act) or under an annuity contract falling within section 431(4)(d) of the Taxes Act, or

(b) under a retirement annuity contract or trust scheme approved under Chapter III of Part XIV of the Taxes Act,

and so much of any pension payable to him under these Regulations or the 1987 Regulations as is attributable to a transfer value received from any such scheme or on the termination of any such contract.

(2) In this paragraph "pension" includes the actuarial equivalent as an annual pension of any lump sum.

5.—(1) "Actuarial" means determined by, or in accordance with tables prepared by, the Government Actuary.

(2) "Relevant service" means service as a regular policeman within the meaning of the1987 Regulations, and "relevant birthday" means the birthday on which he would be required by regulation A18(1) of those Regulations to retire assuming that there were no postponement under regulation A18(2) and no change of rank.

PART II

retirement pensions

6. The annual rate of a participator's retirement pension under these Regulations must not be such as to cause his total retirement benefits to exceed the permitted amount.

7.—(1) If the participator retires on his relevant birthday, the permitted amount is the greater of E and F, where—

E is 1/60th of his final remuneration for each of up to 40 years of relevant service, and

F is the lesser of G and H.

(2) In sub-paragraph (1)—

G is 1/30th of his final remuneration for each of up to 20 years of relevant service, and

H is 2/3rds of his final remuneration less any retained benefits.

8. If the participator retires on a date later than his relevant birthday, the permitted amount is the greatest of J, K and, where applicable, L, where—

J is an amount calculated in accordance with paragraph 7 as at the later date,

K is an amount calculated in accordance with paragraph 7 as at his relevant birthday increased, up to the later date, either actuarially or in proportion to any increase in the Index, and

L is, in the case of a participator with more than 40 years of relevant service, 1/60th of his final remuneration for each of up to 45 years of relevant service, excluding any years before his relevant birthday in excess of 40.

9.—(1) If the participator retires after having, before his relevant birthday, ceased to be in relevant service, the permitted amount is the greater of (M + R) and—

$$\left(\frac{N}{P} \times Q\right) + R$$

where—

M is 1/60th of his final remuneration for each of up to 40 years of relevant service,

N is the number of years on which M is calculated,

P is the number of years on which M would have been calculated if he had continued in relevant service up to his relevant birthday,

Q is an amount calculated in accordance with paragraph 7 as at his relevant birthday, and

R is the appropriate increase.

(2) For the purposes of sub-paragraph (1) the appropriate increase is an increase in the amount in question, either—

(a) in proportion to any increase in the Index, or

(b) if greater, at 5 per cent compound,

from the cessation of relevant service to the date of retirement.

PART III

lump sums on death

10.—(1) The aggregate of—

(a) the lump sum secured by any death benefit contributions, and

(b) any lump sum payable under regulation 14(2),

must not be such as to cause the total lump sum death benefits to exceed the permitted amount.

(2) The total lump sum death benefits are the total of—

(a) the lump sums mentioned in sub-paragraph (1)(a) and (b), and

(b) any similar benefits totalling £1,000 or more that are payable under relevant schemes.

(3) The relevant schemes are—

(a) other approved schemes,

(b) schemes approved under Chapter IV of Part XIV of the Taxes Act,

(c) free-standing additional voluntary contributions schemes,

(d) retirement annuity contracts approved under Chapter III of Part XIV of the Taxes Act, and

(e) the scheme constituted by the 1987 Regulations.

(4) The permitted amount is £5,000 or, if greater, 4 times the death benefit contributor's remuneration.

(5) The death benefit contributor's remuneration is the greatest of S, T and U, where—

S is what his final remuneration would have been if the date of his death had been the material date,

T is his highest year's adjusted earnings for the purpose of calculating S, and

U is his total taxable earnings during any period of 12 months ending not more than 3 years before the date of his death, increased as mentioned in paragraph 3(1).