
STATUTORY INSTRUMENTS

1994 No. 1662

EUROPEAN PARLIAMENT

The European Parliamentary (United Kingdom Representatives)
Pensions (Consolidation and Amendment) Order 1994

<i>Made</i>	- - - -	<i>21st June 1994</i>
<i>Laid before Parliament</i>		<i>24th June 1994</i>
<i>Coming into force</i>	- -	<i>15th July 1994</i>

The Secretary of State, in exercise of the powers conferred on him by section 4(1), (2), (3) and (4) of the European Parliament (Pay and Pensions) Act 1979(1) and of all other powers enabling him in that behalf, hereby makes the following Order:—

Citation and commencement of Order

1. This Order may be cited as the European Parliamentary (United Kingdom Representatives) Pensions (Consolidation and Amendment) Order 1994 and shall come into force on 15th July 1994.

Interpretation

2.—(1) In this Order, unless the context otherwise requires—

“the 1979 Act” means the European Parliament (Pay and Pensions) Act 1979;

“the Taxes Act 1988” means the Income and Corporation Taxes Act 1988(2);

“the Pensions Act 1993” means the Pension Schemes Act 1993(3);

“actual reckonable service” means in respect of a person, his aggregate period of reckonable service excluding—

(i) any increase in that period by virtue of article 11(4);

(ii) any period added by the direction of the Managers under article 24(2)(b); and

(iii) any added years purchased pursuant to article 27 and to Schedule 7;

“added year” means a period of reckonable service purchased pursuant to article 27 and Schedule 7 including a part of a year expressed in days and any future added year;

(1) 1979 c. 50. (Section 3 of the European Communities (Amendment) Act 1986 (c. 58) substituted references to the European Parliament for references to the Assembly of the European Communities in Acts and other instruments.)

(2) 1988 c. 1.

(3) 1993 c. 48.

“aggregate period of reckonable service” in relation to a person means the aggregate of all separate periods of reckonable service of that person together with increases pursuant to articles 24(2)(b) and 27 and to Schedule 7;

“basic or prospective pension” has the meaning assigned to it by article 12(9);

“contracted-out scheme” means an occupational pension scheme which is for the time being specified in a contracting-out certificate issued by the Occupational Pensions Board under regulations made in accordance with section 7 of the Pensions Act 1993;

“contribution” means any amount deducted from salary or deemed to have been paid under article 5 and any reference to the payment of a contribution shall be construed accordingly;

“deferred pensioner” means a person who—

(a) having been but having ceased to be a participant; and

(b) having accrued rights to a pension under the scheme,

is not, or was not at his death, yet entitled to receive a pension under the scheme;

“fraction of a year” means part of a year of reckonable service expressed as the proportion borne by the number of days in that part to three hundred and sixty-five;

“guaranteed minimum” has the same meaning as in sections 14 to 16 and section 17(2) to (4) of the Pensions Act 1993;

“guaranteed minimum pension” has the same meaning as in section 8(2) of the Pensions Act 1993;

“interest” (where the reference is to the payment of any sum with interest) means compound interest at the rate of four per cent per annum calculated with annual rests;

“the life of a European Parliament” means the period beginning with the opening of the first session of the European Parliament following a general election of Representatives and ending on the day before the opening of the first session of the European Parliament following the next such general election;

“the Managers” has the meaning assigned to it by article 3;

“normal retirement date” means the date on which a participant reaches the age of sixty-five;

“overseas fund or scheme” means a fund or scheme which is established outside the United Kingdom or wholly or primarily administered outside the United Kingdom;

“participant” means a person making contributions under article 5 (or who is excused from making such contributions because his aggregate period of reckonable service exceeds that which would give rise to the maximum pension allowed in respect of him under the scheme);

“payment for the purchase of added years” means such a payment whether payable periodically or by way of a single lump sum;

“pensionable salary” has the meaning assigned to it by article 7(10)(a);

“pensioner” means a person entitled to receive a pension under the scheme;

“permitted maximum” for any tax year means the figure specified for that tax year in an Order made under section 590C of the Taxes Act 1988(4);

“the provision as to cohabitation” has the meaning assigned to it by article 14(5);

“the 1993 Regulations” means the Parliamentary Pensions (Consolidation and Amendment) Regulations 1993(5);

“reckonable service” has the meaning assigned to it by article 6;

(4) Section 590C was inserted into the Taxes Act 1988 by the Finance Act 1989 (c. 26), Schedule 6, paragraphs 4 and 18(2).

(5) S.I.1993/3253.

“relevant child” has the meaning assigned to it by article 14(5);

“relevant date” means the relevant date for the determination under any provision of this Order of the pension of a person;

“relevant terminal salary” has the meaning assigned to it by article 7(10)(b);

“state scheme premium” has the meaning assigned to it by section 55 of the Pensions Act 1993;

“the scheme” means the pension scheme from time to time in force made for United Kingdom Representatives to the European Parliament under section 4 of the 1979 Act;

“tax year” means a year beginning on the 6th April in a year and ending on the following 5th April.

(2) In this Order, except where the context otherwise requires:—

- (a) a reference to a numbered article or Schedule is a reference to the article of, or the Schedule to, this Order so numbered; and
- (b) a reference in an article or Schedule to a numbered paragraph is a reference to the paragraph of that article or Schedule so numbered; and
- (c) a reference in a paragraph to a numbered sub-paragraph is a reference to the sub-paragraph of that paragraph so numbered.

Managers

3.—(1) Subject to the provisions of Schedule 1, the Secretary of State may appoint persons as managers to perform such functions in connection with the administration of the provisions of this Order as are conferred on them by this Order and may remove such persons at any time. Notice of such appointment or removal shall be given by the Secretary of State to the person so appointed or removed and to the other persons who are at the time managers immediately after the appointment or removal. Persons appointed as managers under this article are referred to in this Order as “the Managers”.

(2) The provisions of Schedule 1 shall have effect with respect to the number, qualification and proceedings of and service of documents upon the Managers.

Membership

4.—(1) Any person serving as a Representative shall be a participant in the scheme unless he has exercised an option under paragraph (2) below not to be a participant.

(2) A participant may exercise an option in writing under this paragraph not to be a participant in the scheme.

(3) Subject to paragraph (4) below, the effective opt-out date in respect of a Representative is whatever date the Managers shall determine to be the earliest practicable date after that on which they receive from him written notice of the exercise of the option.

(4) If the Managers receive the written notice not more than three months after the date of a general election or by-election at which the person was elected for the first time as a Representative, the effective opt-out date is the date of that election and any contributions deducted from his salary since that election under article 5 shall be repaid to him.

(5) A Representative who has exercised his right under paragraph (2) above to opt out of the scheme is referred to in this Order as an “opted-out Representative”.

(6) An opted-out Representative may apply to rejoin the scheme as a participant as from the date of any general election or by-election at which he was elected as a Representative (“the effective opt-in date”) by giving notice in writing to the Managers within a period of three months beginning with the effective opt-in date provided that he pays to the Managers within twenty-eight days of their

acceptance of his application, or within such longer period as the Managers may in their discretion determine, the sum certified by the Managers as being the amount which would have been deducted from his salary under article 5 between the effective opt-in date and the first date thereafter when a deduction from his salary under article 5 is made.

Contributions from salary

5.—(1) Subject to paragraphs (4) and (5) below, there shall be deducted by the Treasury from each payment of salary to a participant made pursuant to section 1 of the 1979 Act an amount equal to the appropriate percentage thereof by way of contributions towards the cost of providing the pensions payable under this Order.

(2) For the purposes of paragraph (1) the appropriate percentage in the case of a period beginning on or after 1st April 1992 shall be six per cent.

(3) If a participant elects to forego, for any period, the whole or part of his salary as a Representative he shall for the purpose of this Order be deemed to have paid during that period the amounts required by paragraph (1) of this article in respect of the amounts he elects to forego.

(4) Where in respect of any person who became a participant in the scheme on or after 1st June 1989, his annual salary as a Representative exceeds the permitted maximum, the contributions deducted from that annual salary shall be limited to the appropriate percentage (as defined in paragraph (2) above) of that permitted maximum.

(5) Where a participant's aggregate period of reckonable service exceeds that which would give rise to the maximum pension allowed in respect of that person under article 7(3) or (4) below, no deduction shall be made from his salary under this article.

Reckonable Service

6. Subject to articles 22, 25(7) and 27 and to Schedule 7, any period during which a person was or is a participant is a period of reckonable service.

Pension Entitlement

7.—(1) Subject to the provisions of this Order, the Treasury shall pay to a person who has ceased to be a participant a pension under this article as from the time when the following conditions are or were fulfilled in respect of him—

- (a) he is or was neither a Representative nor a candidate for election to the European Parliament; and
- (b) he has or had attained the age of sixty-five years.

(2) Subject to paragraphs (3), (4), (5) and (7), and to article 8, the annual amount of a pension payable to a pensioner under this article shall be a sum equal to the aggregate of the amounts produced, in relation to each year or part of a year comprised in his aggregate period of reckonable service, by multiplying the relevant terminal salary by the appropriate fraction.

(3) The annual amount of the pension payable under this article to a person who became a participant before 1st June 1989 shall not exceed whichever is the less of—

- (a) the amount equal to two-thirds of the relevant terminal salary; or
- (b) such maximum pension as is calculated in respect of that person in accordance with the provisions of Schedule 2,

except to the extent that it is calculated by reference to so much (if any) of that person's actual reckonable service as fell after he attained the age of sixty-five years.

(4) The annual amount of the pension payable under this article to a person who became a participant on or after 1st June 1989 shall not exceed whichever is the less of—

- (a) the amount equal to two-thirds of the relevant terminal salary; or
- (b) such maximum pension as is calculated in respect of that person in accordance with the provisions of Schedule 2; or
- (c) the amount equal to two-thirds of the permitted maximum.

(5) For the purpose of calculating the annual amount of a pension payable to a pensioner to whom both paragraphs (a) and (b) of section 1(2) of the 1979 Act have applied—

- (a) where the relevant terminal salary of the pensioner is calculated in accordance with paragraph (10)(b) by reference to a period during which the pensioner was not a person to whom section 1(2)(b) of the 1979 Act applied, his aggregate period of reckonable service shall, for the purpose of making the calculation referred to in paragraph (2), be divided by three in respect of those parts of his aggregate period of reckonable service to which the said section 1(2)(b) applied; and
- (b) where the relevant terminal salary of the pensioner is calculated in accordance with paragraph (10)(b) by reference to a period during which the pensioner was a person to whom section 1(2)(b) of the 1979 Act applied, his aggregate period of reckonable service shall, for the purpose of making the calculation referred to in paragraph (2), be multiplied by three in respect of those parts of his aggregate period of reckonable service to which the said section 1(2)(b) did not apply.

(6) Subject to paragraphs (7) and (8), a pension under this article shall continue for the life of the person to whom it is payable.

(7) No such pension shall be payable to a person in respect of any period during which he is a Representative or a candidate for election as a Representative.

(8) The provisions of paragraph (6) shall not apply for the purposes of calculating the amounts payable under Article 18.

(9) Notwithstanding any provision of this Order to the contrary, any person entitled to receive a pension under this Order—

- (a) shall be entitled to receive, subject to the provisions of paragraph (7), from the age of sixty-five years in the case of a man and from the age of sixty years in the case of a woman, a pension payable for the remainder of his or her life, at a rate equivalent to a weekly rate of not less than the guaranteed minimum unless his or her rights thereto are extinguished by payment of a state scheme premium; and
- (b) if the payment of the guaranteed minimum pension of that person is postponed in the circumstances to which section 13(4) and (5) of the Pensions Act 1993 applies, the guaranteed minimum pension of that person shall be increased to the extent, if any, specified in section 15(1) and (2) of that Act.

(10) In this article, and the following provisions of this Order—

- (a) the expression “pensionable salary” means, subject to section 5(2) of the 1979 Act—
 - (i) in the case of such a period as is described in section 1(2)(a) of the 1979 Act, a Member’s pensionable salary for that period;
 - (ii) in the case of such a period as is described in section 1(2)(b) of the 1979 Act, one-third of a Member’s pensionable salary for that period;
 - (iii) notwithstanding (i) and (ii) of this sub-paragraph, in respect of any reference in paragraphs (3) and (4) and in Schedules 2, 3 and 7 to the relevant terminal salary, in the case of such a period as is described in either section 1(2)(a) or section 1(2)(b) of the 1979 Act, a Member’s pensionable salary for that period; and

- (b) the expression “relevant terminal salary”—
- (i) in respect of a person whose aggregate period of reckonable service is not less than twelve months, means the amount of his pensionable salary for the last twelve months (whether continuous or discontinuous) during which he was a participant; and
 - (ii) in respect of a person whose aggregate period of reckonable service is less than twelve months, means an amount calculated by multiplying his pensionable salary by the figure (whether a whole number or not) by which the number of days of his service must be multiplied to equal twelve months.

(11) In paragraph (2) “the appropriate fraction” in relation to a year or part of a year comprised in a person’s aggregate period of reckonable service means:

- (a) in the case of a year or part of a year ending before 20th July 1983, one-sixtieth or, as the case may be, the fraction which bears to one-sixtieth the same proportion as the number of days in that part of a year bears to three hundred and sixty-five; and
- (b) in the case of a year or part of a year beginning on or after 20th July 1983, one-fiftieth or, as the case may be, the fraction which bears to one-fiftieth the same proportion as the number of days in that part of a year bears to three hundred and sixty-five.

(12) For the purposes of paragraph (11), where a year or part of a year comprised in a person’s aggregate period of reckonable service began before, but ended on or after, 20th July 1983—

- (a) so much of that year or part of a year as ended with 19th July 1983 shall be treated as a part of a year in relation to which sub-paragraph (a) of that paragraph applies; and
- (b) the remainder of that year or part of a year shall be treated as a part of a year in relation to which sub-paragraph (b) of that paragraph applies.

(13) For the purposes of paragraph (11), a period of reckonable service:

- (a) an application to purchase which, under the provisions of Schedule 7 (Purchase of added years), was accepted by the Managers before 31st August 1985; or
- (b) attributable to a direction under article 24(2)(b) (Transfers from other pension schemes) made before that date; or
- (c) attributable to the application of the provisions of paragraph (5) (Multiplying of reckonable service for certain purposes) in respect of a period to which (apart from under this paragraph) paragraph (11)(a) applies or of a period under sub-paragraph (a) or (b) above,

shall be treated as a period to which paragraph (11)(a) applies; and a period of reckonable service:

- (i) an application to purchase which, under the provisions of Schedule 7, is accepted by the Managers on or after 31st August 1985; or
- (ii) attributable to a direction under article 24(2)(b) made on or after that date; or
- (iii) of a person who ceased or ceases to be a participant on or after 20th July 1983, being reckonable service attributable to the provisions of article 11(4) or (5); or
- (iv) attributable to the application of the provisions of paragraph (5) in respect of a period to which (apart from under this paragraph) paragraph (11)(b) applies or of a period under sub-paragraph (i) or (ii) above,

shall be treated as a period to which paragraph (11)(b) applies.

Commutation into lump sum

8.—(1) Subject to the provisions of article 27 and Schedule 7, any person who is entitled to receive a pension under article 7 may, before the first instalment of the pension is paid, give notice

to the Managers that he wishes to commute into a lump sum such part of the pension as is specified in the notice.

(2) Subject to the following paragraphs of this article, where a person has given notice under this article, the Treasury shall pay to that person such lump sum as the Managers direct as in their opinion being actuarially equivalent to the part of the pension specified in the notice, and the annual amount of his pension shall be reduced by such amount as the Managers direct as in their opinion being appropriate in consideration of the payment of that lump sum.

(3) Before making any calculations pursuant to paragraph (2) the Managers shall consult the Government Actuary unless such calculations are made on the basis of tables prepared by the Government Actuary for the purpose of making such calculations.

(4) If the amount of a lump sum calculated pursuant to paragraphs (2) and (3) would exceed the maximum commutable sum—

- (a) the amount of the lump sum so calculated shall be diminished by such proportion as is necessary to make it equal to the maximum commutable sum; and
- (b) the reduction of the annual amount of pension calculated to take account of the lump sum shall be diminished by the like proportion.

(5) Subject to paragraph (6), for the purposes of paragraph (4) the maximum commutable sum shall be an amount calculated in accordance with Schedule 3 to this Order and, in the case of a person who became a participant on or after 1st June 1989, shall be subject to an overall maximum of 120/80 of the permitted maximum.

(6) In determining the amount of the lump sum under this article the maximum commutable sum shall if necessary be diminished so that the annual amount of pension shall not be reduced under paragraph (2) below the rate of the guaranteed minimum pension.

Early abated pensions

9.—(1) Any person who has ceased to be a Representative and who fulfils the conditions specified in article 7(1)(a) and has attained the age of fifty years but not that of sixty-five years may apply to the Managers for an immediate pension under paragraph (2).

(2) If the Managers direct that they are satisfied that such a person does not intend to stand for re-election to the European Parliament he shall be entitled to receive a pension under Article 7, subject to paragraph (3), as if he had attained the age of sixty-five years on the date of his application or such later date as may be specified in the application.

(3) The annual amount of a pension payable under paragraph (2) both before and after he attains the age of sixty-five years, shall, subject to article 8, be an amount calculated in accordance with article 7 reduced by such amount as the Managers after consulting the Government Actuary direct as in their opinion being appropriate having regard to the length of the period beginning with the date of his application or such later date referred to in paragraph (2) as may be specified in the application and ending with the date on which he would attain the age of sixty-five years.

(4) The pension to which a person is entitled under this article shall not be reduced below the rate of the guaranteed minimum pension, as provided for by article 7(9).

Early retirement

10.—(1) Where a person who—

- (a) is a participant and ceases to be a Representative; and
- (b) has attained the age of fifty years; and

- (c) has actual reckonable service of not less than fifteen years (hereinafter referred to in respect of a person as “his qualifying period”), including actual reckonable service as a participant on or after 2nd April 1991,

applies in writing to the Managers for an immediate pension under this article, then, if the Managers are satisfied that he does not intend to stand for re-election to the European Parliament, he shall be entitled to receive a pension under article 7 as if he had attained the age of sixty-five years on the date of his application or, if later, such other date as may be there specified; but the annual amount of the pension to which he is so entitled both before and after he attains the age of sixty-five years, shall (subject to article 8) be an amount calculated in accordance with article 7 and abated in accordance with Schedule 4.

(2) For the purposes of paragraph (1)(c) of this article, service of a person as a Member of the House of Commons, whether rendered before, on or after 2nd April 1991, may count towards his qualifying period to the extent that it is not concurrent with service as a Representative.

Ill-health pensions

11.—(1) A participant who because of ill-health has ceased to be a Representative before attaining the age of sixty-five years may apply to the Managers for an early pension under article 7 if at the time when he so ceased he would have been entitled to receive a pension under article 7 but for his not having attained such age.

(2) If on an application under paragraph (1) the Managers direct that they are satisfied—

- (a) that the applicant does not intend to seek re-election to the European Parliament;
- (b) that his ill-health would prevent him from adequately performing the duties of a Representative; and
- (c) that his ceasing to be a Representative was a direct consequence of his ill-health;

he will be entitled to receive a pension under article 7 as from the time he ceased to be a Representative.

(3) A participant who if he were to cease as mentioned in paragraph (1) at a particular date in the future because of ill-health, would become entitled to make an application under that paragraph may make such an application to the Managers before that date specifying in the application the date when he proposes so to cease, and if the Managers are satisfied that at the date so specified that applicant will, if he so ceases, be entitled to an early pension by virtue of paragraph (2) they shall make a direction to that effect.

(4) The annual amount of a pension payable under article 7 to a person by virtue of this article shall, subject to article 8, be calculated in accordance with article 7(2), (3) and (4) but for the purposes of the calculation his aggregate period of reckonable service shall, subject to paragraph (5), be increased by a period equal to the period between his ceasing as mentioned in paragraph (1) above and the time when he would attain the age of sixty-five years.

(5) In the case of a person to whom article 7(5)(a) applies, the increase referred to in paragraph (4) shall be divided by three in respect of that part of the aggregate period of reckonable service (not including any increase under this article) to which section 1(2)(b) of the 1979 Act applied, and in the case of a person to whom article 7(5)(b) applies the increase referred to in paragraph (4) shall be multiplied by three in respect of that part of the aggregate period of reckonable service (not including any increase under this article) to which the said section did not apply, and for the purpose of making the calculation referred to in article 7(2), article 7(5) shall not apply in respect of that part of the aggregate period of reckonable service which is attributable to the increase provided by paragraph (4) and this paragraph.

(6) For the purpose of this article, a participant who has ceased to be a Representative at the end of the life of a European Parliament shall be treated as having so ceased because of ill-health if the

Managers direct that they are satisfied that as a direct consequence of his ill-health he did not seek re-election to the European Parliament.

(7) A person who because of ill-health has, while neither a Representative nor a candidate for election to the European Parliament, retired from gainful work before attaining the age of sixty-five years may apply to the Managers for an early pension under article 7 if at the time when he so retired he would have become entitled to receive a pension under that article but for his not having attained that age.

(8) If, on an application under paragraph (7) the Managers direct that they are satisfied—

- (a) that the applicant does not intend to seek re-election to the European Parliament;
- (b) that his ill-health would prevent him from adequately performing the duties of a Representative; and
- (c) that his retirement from gainful work was a direct consequence of his ill-health;

the applicant shall be entitled to receive a pension under article 7 as from the date of the direction.

(9) Where an application is made under paragraph (7) the Managers shall make a direction as to whether they are satisfied as mentioned in paragraph (8) and, if they are so satisfied, shall state in the direction the date from which the pension will be payable, and they shall send a copy of the direction to the applicant.

(10) In this paragraph “gainful work” means work under a contract of employment, or as the holder of an office, or as a self-employed person engaged in a business or profession being in any case work from which the person concerned gains the whole or a substantial part of his income.

(11) Every application under this article must be accompanied by medical evidence of the applicant’s state of health.

(12) The Managers may require the applicant to undergo a medical examination by a medical practitioner nominated by them for the purpose, the fees for which shall be paid by the Treasury.

Widows' and widowers' pensions

12.—(1) Save that whichever is appropriate of paragraph (6) or paragraph (7) shall apply, this article shall apply in relation to a woman who was a participant on or after 31st July 1984 and who has died and her widower as it applies in relation to a man who has died and his widow.

(2) Subject to the provisions of this article, the Treasury shall pay a pension under this article to the widow of a person who was at the time of his death either—

- (a) a participant; or
- (b) a pensioner; or
- (c) a deferred pensioner.

(3) Subject to paragraphs (6) or (7) and (8), the annual amount of a widow’s pension under this article shall be five-eighths of the basic or prospective pension of her late husband.

(4) Subject to paragraph (5), a pension payable under this article to a widow shall continue for her life or until her remarriage; but in the case of remarriage the Treasury shall at any time restore the pension if at such time the Managers direct that they are satisfied that the subsequent marriage has been terminated or that there are exceptional reasons for the payment of the pension notwithstanding the subsistence of that marriage.

(5) No pension shall be payable under this article to a widow who, at her husband’s death, was cohabitating with another person; and if a widow entitled to such a pension cohabits with another person, the pension shall cease to be payable:

Provided that the Treasury shall at any time pay or as the case may be restore the pension if at such time the Managers direct that they are satisfied that the cohabitation has been terminated

or that there are exceptional reasons for the payment of the pension notwithstanding that the cohabitation continues.

(6) Notwithstanding anything in this Order and in particular notwithstanding the provisions of paragraphs (4) and (5) above, the widow of a man who had a guaranteed minimum pension under the scheme shall, upon his death, during any period specified in section 17(5) of the Pensions Act 1993, be entitled to a pension for the remainder of her life at a rate equivalent to a weekly rate of not less than half the guaranteed minimum of that man.

(7) Notwithstanding anything in this Order and in particular notwithstanding the provisions of paragraphs (4) and (5) above, the widower of a woman who had a guaranteed minimum pension under the scheme shall, upon her death, during any period and in any circumstances prescribed by regulations made under section 17(6) of the Pensions Act 1993⁽⁶⁾, be entitled to a pension for the remainder of his life at a rate equivalent to not less than half of that part of the woman's guaranteed minimum pension which is attributable to earnings factors for the tax year 1988-89 and subsequent tax years.

(8) Where a man dies in circumstances in which, apart from this paragraph, a widow's pension calculated in accordance with paragraph (3) would be payable to a woman married by him within the six months ending with his death, then if—

- (a) there are no children of that marriage;
- (b) the man was married to her after he ceased to be a Representative;
- (c) the rate of the widow's pension payable to her would be in excess of the widow's guaranteed minimum pension; and
- (d) the Managers direct that it appears to them that his death within six months was to be foreseen by him at the date of the marriage,

the Treasury shall pay only that part of the widow's pension which comprises the widow's guaranteed minimum pension unless the Managers direct that in the circumstances of the case in their opinion the limit imposed by this paragraph should not apply.

(9) In this Order "basic or prospective pension"—

- (a) in relation to a person who has died and at the time of his death was a participant, means the annual amount of the pension calculated in respect of him in accordance with article 7 and, if he died while a participant before attaining the age of sixty-five years, the annual amount of the pension calculated in respect of him increased by virtue of article 15(5); and
- (b) in relation to a person who has died and at the time of his death was a pensioner, means the annual amount of the pension which he was entitled to receive calculated in accordance with article 7, including an ill-health pension calculated in accordance with article 11(4); provided that where the annual amount of his pension resulted from one or more reductions or abatements made under article 8(2), 9(3) or 10(1), no such reduction or abatement shall be made in calculating the annual amount of that pension for the purposes of this paragraph; and
- (c) in relation to a person who has died and at the time of his death was a deferred pensioner, means the annual amount of the pension calculated in accordance with article 7 which he would have been entitled to receive under that article if he had ceased to be a Representative immediately before his death and he had then fulfilled the conditions specified in sub-paragraphs (a) and (b) of paragraph (1) of that article.

⁽⁶⁾ Circumstances have been prescribed by regulations 33B, 33C and 33D of the Occupational Pension Schemes (Contracting-Out) Regulations 1984 (S.I. 1984/380 as amended by S.I. 1987/1100).

Widowers' pensions (no reckonable service on or after 31st July 1984)

13.—(1) Subject to the provisions of this article, the Treasury shall pay to a widower a pension under this article—

- (a) as from the day following the date of his wife's death if at the time of her death he had attained the age of sixty-five years or was incapable by reason of bodily or mental infirmity of earning his own living; or
- (b) where the preceding sub-paragraph does not apply, as from the time when he attains the age of sixty-five or, before attaining that age, becomes incapable as mentioned in that sub-paragraph.

(2) A widower shall only be entitled to a pension under paragraph (1) if his wife was not a participant at any time on or after 31st July 1984 and, at the time of her death, either—

- (a) was entitled to receive a pension under article 7; or
- (b) was not so entitled, but had been a participant and had an aggregate period of reckonable service of not less than four years.

(3) The annual amount of a widower's pension under this article shall be one half of the basic or prospective pension of his late wife.

(4) A pension under this article shall, subject to the following provisions of this article, continue for the life of the widower, but may be terminated by the Treasury if the Managers inform them that he has remarried, or, if the widower has not yet attained the age of sixty-five years, the Managers direct that they are satisfied that he has ceased to be incapable as mentioned in paragraph (1).

(5) The termination of a pension under paragraph (4) on a widower ceasing to be incapable as there mentioned before attaining the age of sixty-five years shall not affect his entitlement to the pension as from the time when he attains that age.

(6) A pension terminated under paragraph (4) may be restored by the Treasury at any time if at such time the Managers direct that they are satisfied that—

- (a) the marriage upon which it was terminated has come to an end,
- (b) the pensioner has again become incapable as mentioned in paragraph (1), or
- (c) for exceptional reasons it is proper to restore the pension.

(7) Article 12(5) shall apply for the purposes of this article with the necessary modifications.

(8) Where a woman dies in circumstances in which, apart from this paragraph, a widower's pension calculated in accordance with paragraph (3) of this article would be payable to a man married by her within a year ending with her death, then if—

- (a) there are no children of that marriage; and
- (b) the Managers inform the Treasury that it appears to them that her death within the year was to be foreseen by her at the date of her marriage,

the Treasury shall not pay a widower's pension under this article unless the Managers direct that they are of the opinion that in the circumstances of the case a widower's pension should be paid.

Children's pensions

14.—(1) Subject to the provisions of this article, the Treasury shall pay a children's pension for the benefit of any relevant child or children of a person who has died and who is or has been married, if at the time of his death the condition specified in sub-paragraph (a) or in sub-paragraph (b) or in sub-paragraph (c) of article 12(2) is fulfilled in his case.

(2) The annual amount of a children’s pension payable under this article for the benefit of any relevant child or children of a person who has died in the circumstances mentioned in paragraph (1) shall be—

- (a) a sum equal to one-quarter of the basic or prospective pension of the deceased if there is one child or, if there is more than one, a sum equal to three-sixteenths of the basic or prospective pension of the deceased for each relevant child not exceeding two; or
- (b) if the widow or widower is dead and subject to paragraph (4) below, a sum equal to five-sixteenths of the basic or prospective pension of the deceased for each relevant child not exceeding two.

(3) Where the deceased left a widow or widower who was (or, apart from the provision as to cohabitation would have been) entitled to a pension under article 12 or article 13 and that pension—

- (a) has ceased to be payable in consequence of the re-marriage of the widow or widower, or
- (b) was not payable, or has ceased to be payable, by reason of the provision as to cohabitation,

any children’s pension under this article shall cease to be payable or, as the case may be, shall not be payable unless and until the Managers direct that they are satisfied that for exceptional reasons the children’s pension should be payable.

(4) A children’s pension under this article shall be paid to or distributed between such person or persons as the Managers may from time to time direct as in their opinion appearing appropriate, and shall be applied by that person or those persons, without distinction, for the benefit of the relevant child or relevant children of the deceased or such of them as the Managers may from time to time direct as in their opinion appearing appropriate.

(5) In this article “child” in relation to any person includes an illegitimate child or a stepchild, and “relevant child” (subject to the provisions of Schedule 5) means any child of the deceased, or of any wife or husband of the deceased, who—

- (a) is under seventeen years of age, or
- (b) is under twenty-two years of age and is within his period of full-time education as defined by that Schedule, or
- (c) was at the time of the death of the deceased wholly or mainly dependant on the deceased and was at that time and has at all times since been either a person falling within sub-paragraph (a) or sub-paragraph (b) of this paragraph or incapable, and likely to remain permanently incapable, by reason of bodily or mental infirmity, of earning his own living, and is not for the time being maintained out of moneys provided by Parliament in a hospital or similar institution so maintained,

and “the provision as to cohabitation” means paragraph (5) of article 12 or that paragraph as applied by article 13(7).

Enhancement of initial widow's, widowers' and children’s pensions

15.—(1) Where the widow of a man who—

- (a) has at any time been a participant; and
- (b) was at the time of his death entitled to receive a pension under article 7,

is entitled to receive a pension under article 12, paragraphs (2) and (3) of this article shall apply.

(2) If, for any part of the three month period, the aggregate of the following amounts, namely—

- (a) the amount payable to her by way of pension under article 12 apart from this paragraph; and
- (b) any amount which is payable to her by way of pension under article 14 for the benefit of any relevant child or children of the deceased,

is less than the amount mentioned in paragraph (3) of this article, then for that part of that period the amount payable to her by way of pension under article 12 shall be increased by the difference.

(3) The said amount is the amount which, if the deceased had lived, would have been payable to him for the part of the three month period in question by way of pension under article 7.

(4) Where a man has died and at the time of his death, he—

- (a) was a participant; and
- (b) was not entitled to receive a pension under article 7,

paragraphs (5) to (7) of this article (so far as applicable) shall apply if his widow is entitled to receive a pension under article 12 or if a children's pension under article 14 is payable for the benefit of any relevant child or children of his.

(5) If the deceased died before attaining the age of sixty-five years, the annual amount of any pension payable to his widow under article 12 or for the benefit of any relevant child or children of his under article 14 shall be calculated as if he had immediately before his death ceased to be a Representative because of ill-health and had by virtue of article 11 been entitled to receive a pension under article 7 as from the time when he so ceased.

(6) If, for any part of the three month period, the aggregate of the following amounts, namely—

- (a) the amount payable to the deceased's widow by way of pension under article 12 apart from this paragraph; and
- (b) any amount which is payable to her by way of pension under article 14 for the benefit of any relevant child or children of the deceased,

is less than the amount mentioned in paragraph (7) of this article, then for that part of that period the amount payable to her by way of pension under article 12 shall be increased by the difference.

(7) The said amount is the amount which, if—

- (a) the deceased had lived and had at the material time become entitled to a pension under article 7; and
- (b) the annual amount of that pension had been a sum equal to the participant's pensionable salary at the rate in force at the material time,

would have been payable to him for the part of the three month period in question by way of that pension.

In this paragraph "the material time" means the time when the deceased in fact died.

(8) The preceding provisions of this article are without prejudice to paragraphs (4), (5) and (8) of article 12 (duration of widow's pension, and restrictions on payment).

(9) The preceding provisions of this article shall apply in relation to a woman who has died and her widower as they apply in relation to a man who has died and his widow, subject in relation to any case in which a widower is entitled to receive a pension under article 13, to the following modifications—

- (a) any reference to article 12 shall be read as a reference to article 13;
- (b) the reference to paragraphs (4),(5) and (8) of article 12 shall be read as a reference to article 13(4),(6) and (8) and article 12(5) as applied by article 13(7); and
- (c) paragraphs (2) and (6) of this article shall not apply where the widower is entitled to a pension by virtue of article 13(1)(b).

(10) In this article "the three month period", in relation to a person who has died, means the period of three months beginning with the day following the date of his death.

Gratuity on the death of a serving participant

16.—(1) Where a person has died at a time when he was a participant, the Managers, if they think fit in their discretion to do so, may grant, and if they so grant the Treasury shall pay, a gratuity under this article in respect of him.

(2) A gratuity under this article in respect of a person shall be granted:

- (a) to the individual nominated in any nomination made by him for the purposes of this article which was in force at the time of his death; or
- (b) if no such nomination was in force at that time, to his personal representative.

(3) The Managers shall treat a nomination made for the purposes of this article by any person (“the nominator”) as not being in force at the time of the nominator’s death:

- (a) if the individual nominated was the nominator’s wife or husband at the time the nomination was made but has subsequently ceased to be the nominator’s wife or husband; or
- (b) if the Managers are of the opinion that the payment of the gratuity to the individual is not reasonably practicable in all the circumstances.

(4) A nomination for the purposes of this article must be made, and may be revoked, by a notice in writing to the Managers; and such a notice must be in such form as the Managers may require.

(5) Subject to paragraph (6) below, the amount of a gratuity under this article in respect of a participant who dies in service at any time on or after 6th April 1988 shall be whichever of the two following amounts is the greater—

- (a) the amount equal to twice his pensionable salary at the time of his death; or
- (b) the aggregate of the contributions paid by that participant and not refunded to him, together with interest on each such contribution from the date on which it was paid.

(6) In the case of a person who became a participant on or after 1st June 1989, the amount of the gratuity in paragraph (5) above shall be subject to an overall maximum of twice the permitted maximum.

Gratuity on death of a pensioner after retirement

17.—(1) Where a person dies in circumstances where he has become entitled to receive a pension under article 7, and no pension in respect of him is payable under any of articles 12 to 14 the Treasury may, subject to the approval of the Managers, pay to his personal representative a gratuity under this article.

(2) The Treasury shall not pay a gratuity under this article in respect of a person who was a participant at any time on or after 1st April 1992 if the amount of such gratuity would be less than the amount of any lump sum payable by virtue of article 18 and paragraph 3(2) of Schedule 6.

(3) For the purposes of determining the amount of the gratuity which may be paid in respect of a person under this article, there shall be calculated—

- (a) the amount of the gratuity which the Treasury could have paid to the pensioner’s personal representative under article 16 had he died when he was a participant; and in determining such amount—
 - (i) paragraph (5) of article 16 shall apply in the case of a pensioner who was a participant at any time on or after 6th April 1988; and
 - (ii) paragraph (5) of article 16 shall apply in any other case, save that for sub-paragraph (5)(a) there shall be substituted “the amount of his pensionable salary at the time of his death”;
- and

- (b) the aggregate amount of the payment made to him by way of pension under article 7 together with any lump sum paid to him under article 8;

and the amount of the gratuity shall be the amount (if any) by which the amount calculated under paragraph (a) exceeds the amount calculated under paragraph (b) above.

(4) In the case of a person who became a participant on or after 1st June 1989, the amount of the gratuity in paragraph (3) above shall be subject to an overall maximum of twice the permitted maximum.

Five year guarantee

18. Schedule 6 shall apply in respect of a deceased pensioner whose actual reckonable service includes service at any time on or after 1st April 1992.

Transfers to other pension schemes

19.—(1) Any person who has ceased to be a Representative and who has not become entitled to a pension under this Order other than a guaranteed minimum pension arising under article 7(9) may by notice in writing request the Treasury to pay into or for the purposes of any fund or scheme to which this article applies a sum or sums representing the value of that person's accrued pension rights under this Order, and on receipt of such notice the Treasury shall make the payment requested.

(2) This article applies to any scheme or annuity which satisfies the requirements prescribed by regulations made under section 95(2) and (3) of the Pensions Act 1993.

(3) Where a person has required the Managers to pay a transfer value to or for the purposes of any one or more than one scheme or annuity which does not include—

- (a) a contracted-out scheme; or
- (b) an appropriate personal pension scheme; or
- (c) a self-employed arrangement within the meaning of regulation 2D of the Occupational Pension Schemes (Transfer Values) Regulations 1985(7) or regulation 2A of the Personal Pension Schemes (Transfer Values) Regulations 1987(8),

the Managers shall pay a state scheme premium in respect of that person and subsections (2) and (3) of section 96 of the Pensions Act 1993 shall apply to the calculation of the transfer value payable.

(4) A person may require the Managers to pay a transfer value in respect of him at any time before a date—

- (a) not more than one year before the date on which he attains the age of sixty-five years; or
- (b) not more than six months after the date on which he ceases to be a participant, whichever is the later.

Transfers to other pension schemes after opt out

20.—(1) At the request on or after 6th April 1988 of any person who—

- (a) is an opted-out Representative; and
- (b) has not become entitled to a pension under this Order other than a guaranteed minimum pension arising under article 7(9),

the Managers shall pay into or for the purposes of any one or more than one scheme or annuity to which this article applies the transfer value calculated in accordance with paragraph (3) below.

(2) This article applies to any fund or scheme specified in article 19(2) above.

(7) S.I. 1985/1931; regulation 2D was inserted by S.I. 1988/1016.

(8) S.I. 1987/1112; regulation 2A was inserted by S.I. 1988/1016.

(3) For the purposes of this article and subject to paragraph (4) below the transfer value payable will be the value of the person's accrued pension rights as follows—

- (a) where they have accrued to or in respect of his period of actual reckonable service, that part which relates to his actual reckonable service on or after 6th April 1988; or
- (b) where they have accrued to or in respect of service notionally attributed to him as a result of a transfer from another pension scheme under article 24 or the purchase of added years pursuant to article 27 and Schedule 7, that part of such rights as was credited to him on or after 6th April 1988; or
- (c) where (a) and (b) both apply, the aggregate of the rights derived separately under each head.

(4) Where on 5th April 1988 the person had an aggregate period of reckonable service of less than two years, the pension rights which have accrued by virtue of such service may, at his option, be included for the purposes of calculating a transfer value in accordance with paragraph (3) above.

(5) Where a transfer value has been paid under this article in respect of a person who is an opted-out Representative and that person subsequently ceases to be a Representative, a transfer value may be paid under article 19 in respect of any pension rights accrued to or in respect of him in the scheme.

(6) Paragraphs (3) and (4) of article 19 shall apply for the purposes of this article.

Transfer to overseas pension schemes

21.—(1) At the request of any person who has been a participant but who has ceased to be a Representative and who has not become entitled to a pension under this Order other than a guaranteed minimum pension arising under Article 7(9), the Managers shall pay into or for the purposes of any one, or more than one, fund or scheme to which this article applies a sum or sums representing the transfer value of that person's accrued pension rights.

(2) This article applies to any overseas fund or scheme which is approved by the Managers, provided that the Managers shall before giving such approval consult and have regard to the views of the Board of Inland Revenue and the Occupational Pensions Board as to the suitability of the fund or scheme for the purposes of this article.

(3) At the request of any person—

- (a) in respect of whom any sum has been paid under this article into or for the purposes of an overseas fund or scheme; and
- (b) who is not at the time the request is made a Representative,

the Treasury may receive a sum, out of, or out of monies held for the purposes of, that fund or scheme, equal to the sum paid under this article together with interest thereon from the date of that payment at such a rate as may be agreed by the Treasury.

Effect of transfers out on reckonable service

22.—(1) Subject to paragraph (2) below, where any sums are paid by the Managers under article 19, 20 or 21 in respect of any person, then—

- (a) for the purpose of calculating his aggregate period of reckonable service, no account shall be taken of any period before the date of that payment unless he is a person in respect of whom a sum is received by the Treasury under article 21(3); and
- (b) for the purposes of articles 25 and 26 any contributions paid by him before the date of that payment shall be treated as not having been paid.

(2) Where, in the case of an opted-out Representative, the transfer value calculated in accordance with article 20(3) and paid under article 20 does not include the value of accrued pension benefits

relating to service before 6th April 1988 and no transfer value has been paid under article 19, paragraph (1) above shall be disregarded in respect of—

- (a) his aggregate period of reckonable service before 6th April 1988; and
- (b) his contributions paid before that date.

Certification by the Government Actuary

23. For the purposes of articles 19, 20 or 21, any transfer value of the whole or part of a person's accrued pension rights under this Order shall be such sum as shall satisfy the requirements prescribed under Part IV Chapter IV of the Pensions Act 1993 and shall be certified by, or calculated in accordance with tables prepared by, the Government Actuary.

Transfers from other pension schemes

24.—(1) At the request of any person who is for the time being a participant, the Treasury may receive any sums payable by way of transfer value in respect of him out of, or out of moneys held for purposes of, any fund or scheme to which this article applies, or under any enactment for the time being in force which authorises the transfer of pension rights.

(2) Where any sums are received by the Treasury under paragraph (1) at the request of a person who is a participant at the time when the request is made—

- (a) for the purposes of articles 25 and 26 the sums so received so far as in the opinion of the Managers they represent his own contributory payments, shall be treated as if they were contributions paid by him, at the same times as those contributory payments were made, by deduction from his salary under article 5;
- (b) his aggregate period of reckonable service shall be treated as increased by the addition of such period as the Managers direct as in their opinion being appropriate and for the purposes of articles 7(2) and (5), such period shall be deemed to have been a period of service as a Representative to whom paragraph (a) of section 1(2) of the 1979 Act applied.

(3) Before determining any period for the purposes of paragraph (2)(b) the Managers shall consult the Government Actuary as to what period would be appropriate in relation to the sums received by the Treasury at the request of the person in question, unless they determine the period in accordance with tables prepared by the Government Actuary, as being appropriate in relation to those sums.

(4) This article applies to any scheme to which article 19 applies.

Repayment of contributions to the contributor

25.—(1) Subject to paragraphs (3) and (6), any contributions paid by a person under article 5 shall be refunded to him by the Treasury with interest from the date on which the contributions were paid respectively, if he requests the Treasury to refund the contributions to him and, on the date of that request, the conditions specified in paragraph (2) are fulfilled in relation to him.

(2) The conditions referred to in paragraph (1) are that—

- (a) the Managers have directed that they approve the refund of the contributions;
- (b) the contributor has ceased to be a Representative and he has not at any time since he so ceased again become a Representative;
- (c) his aggregate period of reckonable service is less than two years;
- (d) he has not become entitled to a pension under article 7.

(3) A person shall not be entitled to a refund of the contributions paid by him, if that person is a person who in the case of a man had ceased to be a Representative during or on a date after the end of the tax year in which he attains the age of sixty-five years or in the case of a woman had

ceased to be a Representative during or on a date after the end of the tax year in which she attained the age of sixty years.

(4) If, after the refund of contributions to him under this article, the contributor becomes, or (as the case may be) again becomes a person entitled to pay and pays contributions under article 5, he may—

- (a) if he so desires, and makes the repayment before the end of the period of three months beginning with the date on which he becomes so liable, or
- (b) after the end of that period, with approval of the Managers,

repay to the Treasury the sum so paid to him with interest from the date on which it was paid to him provided that in any tax year the amount of the repayment together with—

- (i) the contributions made by him under article 5; and
- (ii) any contributions made by him pursuant to article 27 and Schedule 7,

shall not exceed the smaller of 15 per cent of his pensionable salary and 15 per cent of the permitted maximum; and any sum to be paid to the Treasury under this article may, if the Treasury so allow, be paid by instalments over such period, not exceeding three years, as the Treasury think fit.

(5) Any amount whether of principal or interest paid by the contributor to the Treasury under paragraph (4) shall be treated for the purposes of this article as if it were a contribution paid by him at the time when he makes that payment.

(6) The Treasury shall deduct from the amount of any contributions which may be repaid to a person in accordance with the provisions of this article the amount certified by the Secretary of State in accordance with section 61(2) of the Pensions Act 1993 in respect of that person.

(7) In calculating a participant's reckonable service, no account shall be taken of any period in respect of which contributions paid by him have been—

- (a) refunded to him under this article; and
- (b) not subsequently repaid by him to the Treasury.

Repayment of contributions after the death of the contributor

26. Where a person dies or has died—

- (a) without leaving a widow, widower or relevant child (within the meaning of article 14) who is, or may become, entitled in respect of that person to receive a pension under any of articles 12 to 14; and
- (b) in circumstances where the conditions specified in article 25(2)(b) and (d) were fulfilled in relation to him, but where he had not made a request for a refund of contributions under that article,

the Treasury shall refund to his personal representative the contributions paid by the contributor and not previously refunded by him, with interest from the dates on which the contributions were paid respectively.

Purchase of added years

27.—(1) Schedule 7 shall have effect with respect to the purchase of additional periods of reckonable service by participants, and subject to the provisions of that Schedule the aggregate period of reckonable service of a participant who purchases such an additional period shall be treated as increased by such period.

(2) The provisions of Schedule 7 are without prejudice to any maximum pension imposed in relation to a participant under article 7(3) or 7(4).

(3) For the purposes of article 7(5) any period of reckonable service (by way of an added year) purchased by a participant under any of the provisions of Schedule 7 shall be deemed to be a period of service to which section 1(2)(b) of the 1979 Act did not apply.

Application of pensions

28. Regulation R1 of the 1993 Regulations shall apply to pensions under this Order.

Payments due to deceased persons

29. Regulation R2 of the 1993 Regulations shall have effect with respect to a sum which (if any part of it due by way of interest is disregarded) does not exceed the amount of the limit for the time being specified by virtue of Orders made from time to time under section 6 of the Administration of Estates (Small Payments) Act 1965⁽⁹⁾, which is payable by the Treasury by virtue of the provisions of this Order as it has effect with respect to such a sum payable by the Trustees of the Parliamentary Contributory Pension Fund, and accordingly references in the said regulation R2 to the Trustees shall be construed as references to the Treasury.

Deductions of tax from refunds of contributions

30. Regulation N5(1) of the 1993 Regulations shall apply on the making of any repayment of contributions (including interest on contributions) under article 25 as it applies on the making of any repayment of contributions (including interest on contributions) under regulation N1 of those Regulations and accordingly the reference to the Trustees in that regulation shall be construed as a reference to the Treasury.

Protection against adverse alterations

31. Where a person has ceased to be a Representative before this Order comes into force and this Order puts him in a worse position in relation to an accrued right than he would have been in apart from the Order, he or (where he has died) persons who are or may become entitled by virtue of that right to or to the benefit of any pension, or a person acting on behalf of that person or those persons, may opt for the accrued rights to remain unaffected by this Order.

Revocations, modifications, savings and transitional provisions

32.—(1) The European Parliament (United Kingdom Representatives) Pensions Order 1980⁽¹⁰⁾ and the other Orders specified in Part I of Schedule 8 are hereby revoked to the extent there mentioned but, prior to its revocation, the said Order of 1980 shall be deemed to have had effect with the modifications set out in Part II of that Schedule.

(2) The revocations have effect subject to the savings in Part III of Schedule 8.

(3) The provisions of Part III of Schedule 8 do not affect the general operation of section 16 of the Interpretation Act 1978⁽¹¹⁾ (general savings to be implied on a revocation).

(4) Part IV of Schedule 8 has effect with respect to transitional matters in connection with the coming into force of this Order.

(9) 1965 c. 32; relevant amendments were made to section 6 by the Parliamentary and other Pensions Act 1972 (c. 48), section 24(4) and by the Parliamentary and other Pensions Act 1987 (c. 45), section 6(2) and Schedule 4.

(10) S.I. 1980/1450.

(11) 1978 c. 30.

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Home Office
21st June 1994

Michael Howard
One of Her Majesty's Principal Secretaries of
State

SCHEDULE 1

Article 3

MANAGERS

1. The Managers shall not be more than seven in number.
2. No person shall be appointed to be a Manager unless he is a participant and on ceasing to be a participant a Manager shall vacate his office.
3. The Managers may act by a majority of those present at any meeting of the Managers at which a quorum is present.
4. The procedure of the Managers shall, subject to the provisions of this Order, be such as the Managers may determine; and the quorum for any meeting of the Managers shall be three.
5. A direction of the Managers shall be in writing and shall continue in force until revoked by a subsequent direction of the Managers notwithstanding any changes in the persons who are Managers and notwithstanding that there are for the time being no Managers.
6. Any notice or other communication addressed to the Managers should be sent to the Managers, the European Parliament (United Kingdom Representatives) Pension Scheme, Alencon Link, Basingstoke, Hampshire.

SCHEDULE 2

Article 7(3) and (4)

MAXIMUM PENSIONS

1. In this Schedule, unless the context otherwise requires—
 - “Class A participant” means any participant who joined the scheme on or after 1st June 1989 or any other participant who has elected to become a Class A participant⁽¹²⁾;
 - “Class B participant” means any participant who joined the scheme on or after 17th May 1987 and before 1st June 1989 and has not elected to become a Class A participant;
 - “Class C participant” means any participant who joined the scheme before 17th March 1987;
 - “index” at any time, means the index of retail prices published by the Central Statistical Office of the Chancellor of the Exchequer, or any successor agreed as appropriate by the Board of Inland Revenue, for the calendar month three months prior to that time;
 - “the multiple” means, in respect of a pension under article 7 of a person who is or has been a participant, the relevant terminal salary under article 7(10)(b);
 - “pensionable service” means actual service as a participant;
 - “retained benefits” means benefits for a participant derived from—
 - (a) retirement benefits schemes approved or seeking approval under Chapter I Part XIV or relevant statutory schemes as defined in section 611A of the Taxes Act 1988⁽¹³⁾, excluding benefits in respect of service;
 - (b) funds to which section 608 of the Taxes Act 1988 applies, excluding benefits in respect of service;

⁽¹²⁾ Paragraph 29 of Schedule 6 to the Finance Act 1989 (c. 26) provides for a Class B participant to elect to become a Class A participant.

⁽¹³⁾ Section 611A was inserted by the Finance Act 1989 (c. 26), Schedule 6, paragraphs 15 and 18(1).

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- (c) retirement benefit schemes which have been accepted by the Board of Inland Revenue as “corresponding” for the purposes of section 596(2)(b)(14) of the Taxes Act 1988, excluding benefits in respect of service;
- (d) retirement annuity contracts or trust schemes approved under section 620 of the Taxes Act 1988, or personal pension schemes (other than arrangements to which only minimum contributions are paid) which related to relevant earnings from the current employment, or previous employments (including periods of self-employment whether alone or in partnership);
- (e) transfer payments from overseas schemes held in a type of arrangement defined in (a) or (d) above excluding those in respect of service,

including such benefits which have been transferred to another scheme, whether or not in the United Kingdom, but excluding such benefits which relate to service with an unassociated employer which is concurrent with service;

provided that:

- (i) if the total of the retained benefits is less than a pension of £260 those retained benefits may be disregarded; and
- (ii) if the participant’s earnings in the 12 months after entry to the scheme do not exceed one quarter of the permitted maximum, benefits from those sources, other than those transferred into the scheme, shall not be classed as retained benefits;

“service” means service as a participant, and includes, where appropriate, any increase in reckonable service attributable to sums received by way of transfer value or to the purchase of added years.

2. This Schedule sets out the maximum pension which may be paid to a person at the relevant date.

Class A Participant

3.—(1) On retirement at any time after age 50, except before normal retirement date on grounds of incapacity, a pension of 1/60th of the multiple for each year of service (not exceeding 40 years), or, if greater, the lesser of—

- (a) 1/30th of the multiple for each year of service (not exceeding 20 years), and
- (b) 2/3rds of the multiple minus the pension value of all retained benefits.

(2) On retirement before the normal retirement date on grounds of incapacity an immediate pension in accordance with sub-paragraph (1) above on the basis of the number of years which would have counted as service had the participant remained in service to the normal retirement date.

(3) On leaving pensionable service before the normal retirement date a deferred pension—

- (a) for participants who remain in service, of that proportion of the amount calculated in accordance with sub-paragraph (2) above that the number (not exceeding 40) of years of service completed before leaving pensionable service bears to the potential number (not exceeding 40) of years of service had the participant remained in service to the normal retirement date;
- (b) for other participants the amount calculated in accordance with sub-paragraph (1) above;

increased by up to 3 per cent for each complete year, or, if greater, in proportion to any increase in the index which has occurred in the period of deferment.

(14) Section 596(2) was amended by the Finance Act 1989 (c. 26), Schedule 6, paragraphs 8(1), 2(b) and 18(1).

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(4) Benefits for a Class A participant are further restricted as necessary to ensure that the participant’s total retirement benefit under this Order, from any free-standing additional voluntary contributions scheme and from any other additional voluntary contributions does not exceed 1/30th of the permitted maximum for each year of service. For the purpose of this limit service is the aggregate of service provided that the total shall not exceed 20 years. The permitted maximum in this context is that for the year of assessment in which the benefits commence to be paid or, if earlier, are transferred out under article 19, 20 or 21. For the purpose of calculating the total retirement benefit the pension equivalent of benefits in any form other than pension is one twelfth of its cash value.

Class B and Class C Participants

4.—(1) On retirement at normal retirement date a pension of 1/60th of the multiple for each year of service (not exceeding 40 years) or, if greater, the lesser of—

- (a) (i) for Class C participants the fraction of the multiple ascertained from the following table—

Years of service	Appropriate fraction
6	8/60
7	16/60
8	24/60
9	32/60
10 or more	40/60

- (ii) for Class B participants 1/30th of the multiple for each year of service (not exceeding 20 years), and

- (b) 2/3rds of the multiple minus the pension value of all retained benefits.

(2) On retirement before normal retirement date—

- (a) on grounds of incapacity, the amount calculated in accordance with sub-paragraph (1) above on the basis that service is taken as the potential number of years of service had the participant remained in service to the normal retirement date;

- (b) other than on grounds of incapacity the greater of—

- (i) 1/60th of the multiple for each year of service (not exceeding 40 years), and
- (ii) that proportion of the amount calculated in accordance with paragraph (a) above that the number (not exceeding 40) of years of service completed before leaving service bears to the potential number (not exceeding 40) of years of service had the participant remained in service to normal retirement date.

(3) On retirement after normal retirement date a pension of the greatest of—

- (a) the amount calculated in accordance with sub-paragraph (1) above at the actual date of retirement, save that, to the extent that the amount is calculated by reference to that part of the participant’s actual reckonable service as fell after he attained the age of sixty-five years, the overall limit of two-thirds of the multiple may be disregarded; or

- (b) the amount which could have been provided at normal retirement date in accordance with sub-paragraph (1) above increased either actuarially in respect of the period of deferment or in proportion to any increase in the index during that period.

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(4) On leaving pensionable service before normal retirement date a deferred pension calculated in accordance with paragraph (2)(b) above but increased by up to 3 per cent for each complete year, or, if greater, in proportion to any increase in the index which has accrued during the period of deferment.

SCHEDULE 3

Article 5

PART I

COMMUTATION OF PENSIONS

1.—(1) In this Schedule, unless the context otherwise requires—

“Class A participant”, “Class B participant” and “Class C participant” have the meanings assigned to them in Schedule 2;

“N” means in respect of the pension of a person, the period in years and any fraction of a year of his actual reckonable service before the relevant date or (if earlier) his sixty-fifth birthday;

“NS” means in respect of the pension of a person, the lesser of 40 years and the period in years and any fraction of a year of his prospective actual reckonable service at the relevant date;

“pension” means a pension, expressed as an annual amount, under article 7; and “maximum pension” shall be construed accordingly;

“prospective actual reckonable service” means in respect of a person—

(a) at a date falling before his sixty-fifth birthday, his actual reckonable service before and after that date, assuming continuous actual reckonable service by him from that date until his sixty-fifth birthday;

(b) at a date falling on or after his sixty-fifth birthday, his actual reckonable service at his sixty-fifth birthday;

“retained benefits” has the meaning assigned to it in Schedule 2;

“retained lump sum benefits” means retained benefits which are payable as single payments whether by way of commutation of accrued pension rights, refund of contributions or otherwise.

(2) Any reference in this Schedule to the beginning of a period of actual reckonable service of a person means any such beginning on his becoming a participant other than after an interval in his actual reckonable service occurring on a dissolution of the European Parliament.

(3) Any reference in this Schedule to a person being or no longer being a participant shall be construed as a reference to whichever of those circumstances is applicable to the calculation of his pension.

Class A Participant

Maximum commutation for participants (including those retiring on grounds of ill-health)

2. For the purposes of article 8(4), in the case of a Class A participant entitled to a pension under article 7—

(1) who has no retained lump sum benefits and who either was a participant on his sixty-fifth birthday or is so entitled by virtue of article 11 (ill-health pensions), the maximum commutable sum shall be the amount of—

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- (i) the number of eightieths of the multiple, either specified in the table in Part II of this Schedule in relation to the number of complete years of his actual reckonable service or (if the period of that service includes a fraction of a year) calculated proportionately by reference to the numbers specified in that table; and
- (ii) the product of three-eighths of the multiple and any period, expressed in years and any fraction of a year, determined in respect of him under article 24 (Transfers from other pension schemes),

subject to a maximum of the amount of $120/80$ of the multiple;

(2) who has retained lump sum benefits, but would otherwise be within sub-paragraph (1) above, the amount of the maximum commutable sum shall be whichever is the greater of—

- (i) the amount of $120/80$ of the multiple, less the amount of his retained lump sum benefits; and
- (ii) the amount of the product of three-eighths of the multiple and the aggregate, expressed in years and any fraction of a year subject to a maximum of forty years, of his actual reckonable service and of any period determined in respect of him under article 24 (Transfers from other pension schemes).

Maximum commutation on early retirement

3. For the purposes of article 8(4), in the case of a Class A participant entitled to a pension under article 7 by virtue of either article 9 or article 10—

(1) who has no retained lump sum benefits, was no longer a participant on his sixty-fifth birthday and is not entitled to a pension by virtue of article 11 (Ill-health pensions), the amount of the maximum commutable sum, subject to a maximum of $120/80$ of the multiple, shall be whichever is the greater of—

- (i) the amount of the product of N/NS and the number of eightieths of the multiple, either specified in the table in Part II of this Schedule in relation to the number of complete years of his prospective actual reckonable service or (if the period of that service includes a fraction or a year) calculated proportionately by reference to the numbers specified in that table; and
- (ii) the amount of the product of three-eighths of the multiple and the period, expressed in years and any fraction of a year, of his actual reckonable service,

aggregate with the amount referred to in paragraph 2(1)(ii);

(2) who has retained lump sum benefits but would otherwise be within sub-paragraph (1) above, the amount of the maximum commutable sum shall be whichever is the greater of—

- (i) the aggregate of—
 - (a) the amount referred to in sub-paragraph (1)(i) above, subject to a maximum of the product of N/NS and the amount referred to in paragraph 2(2)(i); and
 - (b) the amount referred to in paragraph 2(1)(ii), subject to a maximum of the amount of $120/80$ of the multiple, less his retained lump sum benefits; and
- (ii) the amount referred to in paragraph 2(2)(ii).

Earnings cap

4. For a Class A participant, the maximum commutable sum shall be further limited to an overall maximum of $120/80$ of the permitted maximum.

Class B and Class C Participants

5. Paragraphs 2 and 3 of this Schedule shall apply to Class B and Class C participants save that in the case of such a participant who satisfies the conditions set out in paragraph 2 above there may

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be added to the maximum commutable sum calculated by virtue of that paragraph the amount of the product of three-eightieths of the multiple and the period, expressed in years and any fraction of a year and subject to a maximum of five years, being his actual reckonable service in excess of forty years and occurring after his sixty-fifth birthday.

PART II

Maximum Commutation of Pensions

TABLE

Number of years	Number of eightieths
1	3
2	6
3	9
4	12
5	15
6	18
7	21
8	24
9	30
10	36
11	42
12	48
13	54
14	63
15	72
16	81
17	90
18	99
19	108
20 or more	120

SCHEDULE 4

Article 10

PERCENTAGE ABATEMENT OF PENSION ENTITLEMENT UNDER ARTICLE 10

1. The pension to which a person is entitled by virtue of article 10 shall be abated, having regard to the person’s age and the length of his qualifying period at the date of his application or, if later,

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such other date as may be there specified, from the date from which that pension is payable by the percentage specified in the table below.

2. The pension to which a person is entitled by virtue of article 10 shall not be reduced below the rate of the guaranteed minimum pension, as provided for by article 7(9).

Abatement by Single Percentage from Date Pension Payable

Age pension brought into payment	Qualifying period (years)					
	20 or more	19	18	17	16	15
65	0.0	0.0	0.0	0.0	0.0	0.0
64	0.0	0.0	0.0	0.0	0.0	7.0
63	0.0	0.0	0.0	0.0	7.0	13.7
62	0.0	0.0	0.0	7.0	13.7	19.9
61	0.0	0.0	7.0	13.7	19.9	25.6
60	0.0	7.0	13.7	19.9	25.6	30.8
59	7.0	13.7	19.9	25.6	30.8	35.6
58	13.7	19.9	25.6	30.8	35.6	39.9
57	19.9	25.6	30.8	35.6	39.9	43.7
56	25.6	30.8	35.6	39.9	43.7	47.0
55	30.8	35.6	39.9	43.7	47.0	50.0
54	35.6	39.9	43.7	47.0	50.0	52.8
53	39.9	43.7	47.0	50.0	52.8	55.4
52	43.7	47.0	50.0	52.8	55.4	57.7
51	47.0	50.0	52.8	55.4	57.7	59.7
50	50.0	52.8	55.4	57.7	59.7	61.8

Where the age or the qualifying period is not an exact number of years the percentage abatement shall be obtained by interpolating first for the required age and secondly for the required qualifying period.

SCHEDULE 5

Article 14

PERSONS QUALIFYING FOR CHILDREN'S PENSIONS

1. In this Schedule “the deceased” means the person on whose death a children’s pension is or may be payable under article 14 and “child” has the same meaning as in that article.

2. For the purposes of article 14 a child shall be treated as within his period of full-time education while—

- (a) he is receiving full-time instruction at any university, college, school or other educational establishment, or

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- (b) he is undergoing full-time or substantially full-time training for any trade profession or vocation;

and any question arising under this paragraph shall be determined by the Managers.

- 3. A child shall not be treated as a relevant child for the purposes of article 14—
 - (a) as being an illegitimate or adopted child of the deceased, if he was born or adopted, as the case may be, after the termination of the marriage of the deceased, or
 - (b) as being the child of a wife of the deceased, if he was born or became her child after the termination of her marriage with the deceased,

unless, in the case of an adopted child falling within sub-paragraph (a) or sub-paragraph (b) of this paragraph, the Managers direct that they are satisfied that before the material event therein mentioned the deceased (or, as the case may be, the deceased and his wife) had already formed the intention of adopting the child, that the child was then wholly or mainly dependent on the deceased, and that the child should be treated as a relevant child.

- 4. A child shall not be treated as a relevant child for the purposes of article 14 as being—
 - (a) the illegitimate child of the deceased, or
 - (b) a child of a wife of the deceased,

unless the child was wholly or mainly dependent on the deceased at the time of his death.

5. A female child shall not be treated as a relevant child for the purpose of article 14 if, at the date of the death of the deceased, she is married to or cohabiting with another person; and a female child who thereafter marries or cohabits with another person shall thereupon cease to be a relevant child unless and until the Managers direct that they are satisfied that the marriage or cohabitation has been terminated and that for exceptional reasons it is proper that she should be so treated.

6. Where the deceased was a woman, no child of any marriage of hers shall be a relevant child for the purposes of article 14 if the father of the child was living at the death of the deceased, unless—

- (a) the Managers direct that they are satisfied that for exceptional reasons the child should be so treated;
- or
- (b) the actual reckonable service of the deceased includes service on or after 17th May 1990,

and, if (b) applies, the pension payable to the child shall be that proportion of the pension calculated in accordance with article 14(2) which is attributable to that part of the aggregate period of reckonable service of the deceased which accrued on or after 17th May 1990.

SCHEDULE 6

Article 18

FIVE YEAR GUARANTEE

Guarantees for widows and widowers

1.—(1) Where a pensioner dies during the pensioner's five year period and is survived by a widow or widower, sub-paragraphs (2) to (6) of this paragraph shall apply.

(2) If for any part of the pensioner's five year period, the aggregate of the following amounts namely—

- (a) the amount payable to the widow or widower by way of pension under article 12 apart from this sub-paragraph (including any enhancement payable under article 15); and

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- (b) any amount which (by direction of the Managers under article 14(4)) is payable by way of pension under article 14 for the benefit of any relevant child or children of the deceased pensioner,

is less than the amount mentioned in sub-paragraph (3) of this article, then for that part of that period the difference shall be payable to the widow or widower.

(3) The said amount is the amount which, if the deceased pensioner had lived, would have been payable to him for the part of the deceased pensioner's five year period in question by way of pension under article 7 (including an early retirement pension or an ill-health pension payable by virtue of article 9, 10 or 11).

(4) If the widow or widower of the deceased pensioner dies during the deceased pensioner's five year period, there shall be paid to the personal representative of the widow or widower a lump sum which shall be calculated by deducting the amount mentioned in paragraph (a) below from the amount mentioned in paragraph (b) below—

- (a) the total of any pensions which (by direction of the Managers under article 14(4)) would have been payable under article 14 for the benefit of any relevant child or children of the deceased pensioner if the annual sum payable under article 14(2) (after the death of the widow or widower of the deceased pensioner) in respect of each relevant child had continued during the period ending on the pensioner's children's prospective pension end date for that child;
- (b) the amount which would have been payable to the deceased pensioner if the annual amount of the pension to which he was entitled under article 7 (including an early retirement pension or an ill-health pension payable by virtue of article 9, 10 or 11) were to have been paid to him during the remainder of the pensioner's five year period.

(5) In this Schedule, "the pensioner's five year period" means the period of five years beginning with the day on which he became entitled to receive a pension under article 7 (including an early retirement pension or an ill-health pension payable by virtue of article 9, 10 or 11).

(6) In this Schedule, "the pensioner's children's prospective pension end date" means, in respect of any relevant child of a deceased pensioner the sooner of—

- (a) (i) the date before that on which that child reaches seventeen years of age; or
(ii) if the child is within his period of full time education as defined by Schedule 5, such later date as the Managers may determine being no later than the date before that on which the child reaches twenty-two years of age;
and
- (b) the end of the pensioner's five year period.

Guarantees where children but no spouse survive

2.—(1) Where a pensioner dies during the pensioner's five year period and is survived by a relevant child or children, but no spouse, sub-paragraph (2) of this paragraph shall apply.

(2) There shall be paid to the personal representative of the deceased pensioner a lump sum which shall be calculated by deducting the amount mentioned in paragraph (a) below from the amount mentioned in paragraph (b) below—

- (a) the total of any pensions payable under article 14 (by direction of the Managers under article 14(4)) for the benefit of any relevant child or children of the deceased pensioner, if the annual sum payable under article 14(2) (after the death of the pensioner) in respect of each relevant child were to continue during the period ending on the pensioner's children's prospective pension end date for that child;

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- (b) the amount which would have been payable to the deceased pensioner if the annual amount of the pension to which he was entitled under article 7 (including an early retirement pension or an ill-health pension payable by virtue of article 9, 10 or 11) were to have been paid to him during the remainder of the pensioner's five year period after his death.

Guarantees where no survivors

3.—(1) Where a pensioner dies within the pensioner's five year period and is not survived by a spouse nor by any relevant child or children, sub-paragraph (2) of this article shall apply.

(2) There shall be paid to the personal representative of the deceased pensioner a lump sum calculated as if the annual amount of the pension to which he was entitled under article 7 (including an early retirement pension or an ill-health pension payable by virtue of article 9, 10 or 11) were to be paid to him during the remainder of the pensioner's five year period after his death.

(3) This article shall not apply if a gratuity is paid under article 17.

Remarriage or cohabitation of surviving spouse

4.—(1) If during a deceased pensioner's five year period—

- (a) the widow or widower of that deceased pensioner remarries or cohabits with another person; and
- (b) the Managers direct that the widow's or widower's pension be paid or restored under article 12(4) or (5);

the Managers may direct that payments under paragraph 1(2) shall continue until the end of the pensioner's five year period or until such either date as the Managers may in their discretion think fit.

(2) If, during a deceased pensioner's five year period—

- (a) the widow or widower of that deceased pensioner remarries or cohabits with another person; and
- (b) the Managers direct that only the guaranteed minimum pension to which the widow or widower is entitled be paid;

the Managers may direct that a lump sum be paid to the personal representative of the deceased pensioner calculated as follows—

- (i) if the Managers direct under article 14(3) that the pension payable to any relevant child or children of the deceased pensioner shall for exceptional reasons be payable, by deducting the total of the guaranteed minimum pension payable to the widow or widower during the remainder of the pensioner's five year period from the amount calculated in accordance with paragraph 2(2); or
- (ii) otherwise, by deducting the total of the guaranteed minimum pension payable to the widow or widower during the remainder of the pensioner's five year period from the amount calculated in accordance with paragraph 3(2);

or, in either case, any such lesser sum as the Managers may in their discretion think fit.

Early termination of child's period of full time education

5. —If

- (a) a sum has been paid to the personal representative of the widow or widower of a deceased pensioner under paragraph 1(4) or to the personal representative of a deceased pensioner under paragraph 2(2); and

- (b) the period of full time education of any relevant child of the deceased pensioner has come to an end on a date earlier than the pensioner's children's prospective pension end date for that child used in the calculation of that sum;

the Managers may pay a further sum to the said personal representative calculated by deducting the amount mentioned in paragraph (ii) below from the amount mentioned in paragraph (i) below—

- (i) the total of any pensions which would have been payable for the benefit of that child if the payments had continued until his pensioner's children's prospective pension end date;
- (ii) the total of the pensions which have been paid for his benefit.

SCHEDULE 7

Article 27

PURCHASE OF ADDED YEARS

Interpretation

1. For the purpose of this Schedule:—

“periodical contributions” means the sums payable by a participant whose application to purchase added years otherwise than by a single payment has been accepted by the Managers;

“single mandate Representative” means a participant to whom section 1(2)(b) of the 1979 Act does not apply.

Purchase of added years by periodical contributions

2.—(1) A participant may apply in writing to the Managers to purchase added years by periodical contributions payable until he attains the age of sixty-five years and the Managers shall accept his application if all the following conditions in respect of that application are satisfied:—

- (a) the participant will not at his next birthday after the date of the application have attained the age of sixty-five;
- (b) the participant has satisfied the Managers, in whatever manner the Managers shall require, that he is in good health;
- (c) the number of added years which the participant has applied to purchase does not exceed the maximum permitted by paragraph 8;
- (d) the participant has supplied to the Managers such information and evidence as they may require and has indicated whether his application is made under the provisions of this sub-paragraph or sub-paragraph (2) below; and
- (e) the participant is, at the date when the Managers receive the application, a single mandate Representative.

(2) A participant may, within the period of twelve months immediately following the date when he commenced a period of service as a single mandate Representative, or within such longer period as the managers may in special circumstances and at their discretion allow, apply in writing to the Managers to purchase added years by the payment of periodical contributions for a period of either four or five years and the Managers shall accept his application if, at the date when the Managers receive the application, the participant has not reached the age of sixty-five years and if the conditions of sub-paragraph (1)(b), (c), (d), and (e) above are satisfied in respect of that application.

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Applications to be irrevocable

3. An application by a participant to purchase added years shall be irrevocable on and from the date when the Managers accept his application.

Payment of periodical contributions

4. Where an application by a participant to purchase added years by periodical contributions is accepted by the Managers:—

- (a) contributions shall, subject to the provisions of paragraph 5, be payable to the Treasury:—
 - (i) in the case of an application under paragraph 2(1), from the date of the participant’s birthday next following the receipt by the Managers of his application and until the participant attains the age of sixty-five years; and
 - (ii) in the case of an application under paragraph 2(2), for whichever of the periods of four or five years the participant has chosen for the payment of periodical contributions, beginning on such date not later than two months from the date of acceptance of the application as the Managers shall specify by notice in writing to the participant;
- (b) contributions by a participant shall be payable by deductions from his salary or, in the case of arrears, in such manner as the Treasury shall require; and
- (c) the contributions payable by a participant for the added years shall be calculated in accordance with tables prepared from time to time by the Government Actuary.

Interrupted service

5.—(1) If a participant dies or ceases to be a Representative because of ill-health in circumstances to which paragraphs (1), (2), (3) or (6) of article 11 apply and he:—

- (a) has applied to purchase added years by periodical contributions; and
- (b) has been notified in writing by the Managers that his application has been accepted,

no further contributions will be payable from the day following the date of his death or from the date he ceases to be a Representative, as the case may be, and any added years that he has applied to purchase by periodical contributions shall be credited in full as reckonable service.

(2) If a participant who has applied to purchase added years by periodical contributions and whose application has been accepted by the Managers ceases to be a Representative in circumstances to which paragraphs (1), (2), (3) or (6) of article 11 do not apply, or if a participant ceases to be a single mandate Representative, no contributions will be payable by him from the day following the date when he so ceases, but his reckonable service as a single mandate Representative will be increased in respect of each application by

$$\frac{A \times B}{C}$$

where:

- A is the number of added years he applied to purchase by periodical contributions;
- B is the period (expressed to the nearest day) during which periodical contributions have been paid;
- C is the total period during which periodical contributions would have been payable in accordance with paragraph 4(a).

(3) If a former participant or participant to whom sub-paragraph (2) of this paragraph has applied subsequently commences a further period of service as a single mandate Representative before he

has attained the age of sixty-five years, in circumstances in which the periods together constitute an aggregate period of reckonable service as a single mandate Representative, then subject to sub-paragraphs (4) and (6) of this paragraph, he may give notice to the Managers in writing within the period of three months beginning with the date upon which he commenced the further period of service that he intends to resume payment of his periodical contributions in respect of the added years for which he was making periodical contributions in his immediately preceding period of service and such contributions shall then be payable from the date when he commenced the further period of service, and shall continue until he attains the age of sixty-five years at the rate or rates applicable during the immediately preceding period.

(4) Where a former participant or participant who ceased for a period to pay periodical contributions by reason only of his ceasing to serve as a Representative or as a single mandate Representative, but subsequently became a single mandate Representative again and resumed the purchase of added years by periodical contributions in accordance with sub-paragraph (3) below thereafter becomes entitled to a pension under article 7, his reckonable service as a single mandate Representative shall be increased in accordance with sub-paragraph (2) above except that C shall be read as the total period during which he would have paid contributions for those added years if his service as a single mandate Representative had been continuous.

(5) If a former participant or participant to whom sub-paragraph (2) above has applied, subsequently commences a further period of service as a single mandate Representative before he has attained the age of sixty-five years, in circumstances in which the periods together constitute an aggregate period of reckonable service, then subject to sub-paragraphs (4) and (6) below, he may, if, in consequence of his break in service as a single mandate Representative there has been a reduction in the number of added years which he is able to purchase in full, with the agreement of the Managers, and subject to the provisions of paragraph 8(1), apply to purchase some or all of the number of added years comprised in that reduction at the rate applicable to the participant's birthday next following the receipt by the Managers of his application.

(6) Sub-paragraphs (3), (4) and (5) of this paragraph shall not apply where the application to purchase added years before the participant ceased to be a Representative or a single mandate Representative was made under paragraph 2(2).

Purchase of added years by lump sum

6.—(1) Subject to the provisions of sub-paragraph (2), below, a participant may apply in writing to the Managers to purchase added years by a lump sum payment.

(2) The Managers shall accept an application to purchase added years under this paragraph if all the following conditions in respect of that application are satisfied:—

- (a) the participant has not reached the age of sixty-five years;
- (b) the participant applies to the Managers within the period of twelve months immediately following the date when he commenced a period of service as a single mandate Representative or within such longer period as the Managers may in special circumstances and at their discretion allow;
- (c) the participant has not applied to the Managers under the provisions of article 11 for an early pension because of ill-health;
- (d) the number of added years which the participant applies to purchase does not exceed the maximum permitted by paragraph 8;
- (e) the participant has supplied to the Managers such information and evidence as they may require; and
- (f) the participant is, at the date when the Managers receive the application, a single mandate Representative.

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(3) A participant who has applied to purchase added years under the provisions of paragraph 2(2) and to whom paragraph 5(2) applies may, in respect of any such application, if:—

- (a) in consequence of his ceasing to be a Representative or a single mandate Representative there has been a reduction in the number of added years which he is able to purchase in full,
- (b) the conditions of sub-paragraphs 2(c), (d) and (e) above are satisfied in respect of the application made under paragraph 2(2), and
- (c) the application under this sub-paragraph is made within three months of his ceasing to be a Representative or a single mandate Representative,

apply in writing to the Managers to purchase by a lump sum payment some or all of the number of added years comprised in that reduction at the rate applicable at the Representative's birthday next following the receipt by the Managers of the application.

Lump sum payments

7.—(1) Any participant who has applied to the Managers to purchase added years by a lump sum payment shall, within the period of six months commencing on the date when his application is accepted by the Managers make the lump sum payment to the Treasury which shall be calculated by the Managers by reference to a Member's pensionable salary at the time when his application was received by the Managers and in accordance with tables to be prepared from time to time by the Government Actuary and the amount of his reckonable service as a single mandate Representative shall be increased accordingly with effect from the date that the lump sum payment is received by the Treasury.

(2) If, after an application to purchase added years by lump sum payment has been made by a participant and accepted by the Managers, the payment is not received by the Treasury within the period of six months commencing on the date when his application is accepted by the Managers, the application to purchase shall cease to be valid.

Limits on purchase of added years

8.—(1) Subject to sub-paragraphs (2) to (4) below the annual amount of a participant's periodical contributions when aggregated with the annual amount of the participant's contributions under article 5, and any other additional voluntary contributions shall not in any tax year exceed 15 per cent of the annual amount of a Member's pensionable salary for the time being or, if he joined the scheme on or after 1st June 1989 and that salary exceeds the permitted maximum, 15 per cent of the permitted maximum.

(2) Sub-paragraph (1) shall not apply to the purchase of added years by periodical contributions payable for a period of four years in accordance with paragraph 2(2) and 4(a)(ii) and for the purpose of the calculation referred to in sub-paragraph (1) above such contributions shall be disregarded.

(3) Subject to sub-paragraph (4) below, sub-paragraph (1) above shall not apply to a Representative's periodical contributions which on 31st July 1984 were payable in accordance with paragraph 4(a)(i).

(4) If after 31st July 1984 a participant has applied or applies to the Managers to purchase added years by periodical contributions, the annual amount of periodical contributions payable by him in accordance with paragraph 4(a)(i), or for period of five years in accordance with paragraphs 2(2) and 4(a)(ii), shall not be such as to exceed, at any time during the period such contributions would be so payable, the amount (if any) by which for the time being:

- (a) the annual amount of his periodical contributions referred to in paragraph (3) (if any) aggregated with the annual amount of his contributions under article 5,

is less than—

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(b) the limit under sub-paragraph (1) above.

(5) Subject to sub-paragraph (1) above, the maximum added years that a participant may purchase both by lump sum payment and by periodical contributions shall be calculated so that his pension under article 7 when aggregated with the pension equivalent of any lump sum under article 8 and any pension under any additional voluntary contributions scheme shall not exceed whichever may be appropriate of the limits set out in Schedule 2.

Further applications to purchase added years

9. Subject to the provisions of this Order, the Managers may accept more than one application from a participant to purchase added years by the payment of periodical contributions or lump sum payments.

SCHEDULE 8

REVOCATIONS, MODIFICATIONS, SAVINGS AND TRANSITIONAL PROVISIONS

PART I
REVOCATIONS

(1) Orders revoked	(2) References	(3) Extent of revocation
The European Parliament (United Kingdom Representatives) Pensions Order 1980	SI 1980/1450	The whole instrument
The European Parliament (United Kingdom Representatives) Pensions (Amendment) Order 1982	SI 1982/133	The whole instrument
The European Parliament (United Kingdom Representatives) Pensions (Amendment) Order 1985	SI 1985/1116	The whole instrument
The European Parliament (United Kingdom Representatives) Pensions (Amendment) Order 1992	SI 1992/1197	The whole instrument

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PART II

Modifications to the European Parliament (United Kingdom Representatives) Pensions Order 1980

Interpretation

1. In this Part, “the 1980 Order” means the European Parliament (United Kingdom Representatives) Pensions Order 1980(15).

Contributions

2. In article 4 of the 1980 Order, after paragraph (2), with effect from 2nd April 1991, there shall be inserted,

“(3) Where on or after 2nd April 1991 a person’s aggregate period of reckonable service exceeds that which would give rise to the maximum pension allowed in respect of that person under article 6(1A) below, no deduction shall be made from his salary under this article.”

Early abated pensions

3 Paragraphs 4, 5 and 6 below shall have effect from 2nd April 1991 in respect of persons who have actual reckonable service on or after that date.

4. After Article 8A of the 1980 Order there shall be inserted the following article:

“Early pensions

8B.—(1) Where on or after 2nd April 1991 a person who—

- (a) is a Representative and ceases to be a Representative;
- (b) has attained the age of fifty years; and
- (c) has actual reckonable service of not less than fifteen years (hereinafter referred to in respect of a person as his “qualifying period”),

applies in writing to the Managers for an immediate pension under this article, then, if the Managers are satisfied that he does not intend to stand for re-election to the European Parliament, he shall be entitled to receive a pension under this article as if he had attained the age of sixty-five years on the date of his application or, if later, such other date as may be there specified; but the annual amount of the pension to which he is entitled both before and after he attains the age of sixty-five years, shall (subject to article 7) be an amount calculated in accordance with Schedule 7.

(2) For the purposes of paragraph (1)(c) above, service of a person as a Member of the House of Commons, whether rendered before, on or after 2nd April 1991, may count towards his qualifying period to the extent that it is not concurrent with service as a Representative.”

5. For Schedule 7 to the 1980 Order there shall be substituted Schedule 4 to this Order, with the following modifications—

- (a) for the references to article 10, there shall be substituted references to article 8B; and
- (b) for the reference to article 7(9), there shall be substituted a reference to article 6(6).

(15) S.I. 1980/1450.

6. In article 10(8)(b) of the 1980 Order there shall be substituted for the words “article 7(2), 8(3) or 8A(2)” the words “article 7(2), 8(3), 8A(2) or 8B”.

Ill-health pensions

7. In the 1980 Order, with effect from 1st April 1992, in respect of persons with actual reckonable service on or after that date—

(a) in article 9(4)(16), for the words “subject to paragraphs (5) and (6)” to the end, there shall be substituted—

“be increased by a period equal to the period between his ceasing as mentioned in paragraph (1) above and the time when he would attain the age of sixty-five years.”; and

(b) article 9(6) shall be deleted.

Widows', widowers' and children's pensions

8.—(1) The modifications in paragraphs (2) and (3) below shall apply, with effect from 2nd April 1991, in relation to a pension payable in respect of a deceased Representative who died on or after 6th April 1988.

(2) In article 10(2) of the 1980 Order (amount of widows' pensions) there shall be substituted for the words “one-half” the words “five-eighths”.

(3) In article 12(2) of the 1980 Order (amount of children's pensions) there shall be substituted for the words from “a sum equal to one quarter” to the end of the sentence the words—

“(a) a sum equal to one-quarter of the basic or prospective pension of the deceased if there is one child or, if there is more than one, a sum equal to three-sixteenths of the basic or prospective pension of the deceased for each relevant child not exceeding two; or

(b) if the widow or widower is dead and subject to sub-paragraph (3) below, a sum equal to five-sixteenths of the basic or prospective pension of the deceased for each relevant child not exceeding two.”.

Death gratuity

9. In article 15(5)(a) of the 1980 Order, with effect from 6th April 1988 in respect of persons with reckonable service on or after that date, there shall be substituted for the words “the amount of his pensionable salary” the words “the amount equal to twice his pensionable salary”.

Five year guarantee

10. Articles 17(2) and 18 of and Schedule 6 to this Order shall apply in respect of a deceased Representative—

(a) whose actual reckonable service includes service at any time on or after 1st April 1992 but not after this Order comes into force; and

(b) who was entitled to receive a pension under the scheme at the time of his death,

as if the 1980 Order had been amended by the inclusion of the said provisions with effect from 1st April 1992.

(16) Article 9(4) was amended by article 8 of S.I. [1985/1116](#).

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PART III

Savings

1. The revocation by this Order of a transitional provision relating to the coming into force of a provision re-enacted in this Order does not affect the operation of that transitional provision, so far as it remains capable of having effect, in relation to the provision as re-enacted.

2.—(1) The revocation by this Order of a provision previously repealed or revoked subject to savings does not affect the previous operation of those savings.

(2) The revocation by this Order of a saving made on the previous repeal or revocation of a provision does not affect the operation of the saving in so far as it remains capable of having effect.

PART IV

Transitional Provisions

1.—(1) The re-enactment of provisions in this Order, and the consequent revocation of those provisions by this Order, does not affect the continuity of the law.

(2) The general rule is that the provisions of this Order apply, in accordance with subparagraph (1), to matters arising before the commencement of this Order as to matters arising after that commencement.

(3) The general rule has effect subject to any express provision to the contrary.

(4) The general rule does not mean that the provisions of this Order apply to cases to which the corresponding revoked provisions did not apply by virtue of transitional provisions made in connection with the commencement of the revoked provisions (such transitional provisions are saved by paragraph 1 of Part III).

2. Where a period of time specified in a provision of any Order revoked and re-enacted by this Order is current at the commencement of this Order, this Order has effect as if the corresponding provision of this Order had been in force when that period began to run.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order consolidates, with amendments, and revokes the European Parliament (United Kingdom Representatives) Pensions Order 1980 and the Orders amending that Order.

Some changes constitute no more than the omission of spent provisions. For example, because of the change in the accrual rate in 1984, consequential provisions were introduced to enable Representatives to apply to cancel added years of service purchased, but only by application within twelve months of 31st August 1985.

There are also a number of changes of substance.

Article 4 provides for Representatives to choose to opt out of the scheme, as required by social security legislation. A Representative who exercises the right also has a right to opt back in, exercisable within three months after the date of a General Election of Representatives or a by-election at which he was elected to the Parliament. Article 20 contains a consequential provision enabling accrued pension benefits to be transferred to a personal pension scheme on opt-out.

Article 5 contains a new provision stopping deductions from a Representative's salary if he has sufficient reckonable service to earn a maximum pension.

Article 10 introduces new early retirement provisions, under which a full accrued pension is payable from the age of 60 and an abated pension from the age of 50 to a Representative who has the requisite amount of service. Provision is also made for service as a Member of the House of Commons, including service before this Order, to count towards the qualifying period of service. The previous arrangements for early retirement at a dissolution have been revoked, except in so far as they provide for early abated pensions without a qualifying period of service.

Article 11 incorporates improved enhancement rules in relation to ill-health pensions, by providing for an increase in the aggregate period of reckonable service equal to the full period of potential pensionable service to the age of 65.

Articles 12, 14, 16 and 17 alter the amount of widows' and widowers' benefits, children's benefits and death gratuity.

Article 18 introduces a guarantee which continues payment in full to a Representative's survivors of a pension which has come into payment before that Representative's death until the expiry of the period of five years after it first came into payment. If at any relevant time there are no survivors qualifying for a pension, a lump sum is paid in lieu.

Amendments are also made to apply the earnings cap imposed by section 590C of the Income and Corporation Taxes Act 1988, to Representatives who joined the scheme after 1st June 1989 and to bring the Order into line with current social security legislation.

Section 4(3)(g) of the European Parliament (Pay and Pensions Act) 1979 confers express power to make Orders retrospective in effect. Part II of Schedule 8 extends many of the changes introduced by this Order to former Representatives who, at the date this Order comes into force, are pensioners or deferred pensioners. This is achieved by way of retrospective amendments to the European Parliament (United Kingdom Representatives) Pensions Order 1980. Provision is made for opting-out where rights in relation to former Representatives could be adversely affected (article 31).