<p align="center">SCHEDULE 3</p>

<p align="right">Article 5</p>

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—

(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 sevice 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

Document Generated: 2023-07-26
Status: *This is the original version (as it was originally made). This*
item of legislation is currently only available in its original format.

(ii) the product of three-eightieths 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-eightieths 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-eightieths 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 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