

SCHEDULE 1

PAYMENTS OF CAPITAL AND INTEREST IN RESPECT OF ONE HALF OF THE SUM OF THE CAPITAL VALUES SPECIFIED IN ARTICLES 3 AND 5

PART II

2. The Secretary of State shall, in respect of each Table A amount, make twelve equal payments amounting in aggregate to that amount, the first such payment to be made on 14th April of the year specified in column 1 of Table A in relation to that amount and subsequent payments to be made on the fourteenth day of each following month.

3.—(1) Interest shall accrue from 13th April 1995 to 13th April 1996 on the outstanding balance for the time being of the first amount specified in column 2 of Table A (“the first amount”) at the rate of 4.25 per cent per annum.

(2) Interest which accrues under sub-paragraph (1) shall not be added to the outstanding balance of the first amount but shall be paid by the Secretary of State in accordance with the following provisions of this paragraph.

(3) Where paragraph 2 requires the Secretary of State to make a payment in respect of the first amount the Secretary of State shall also, on the same date, make a payment in respect of the interest which has accrued or is accruing in respect of that amount under sub-paragraph (1), and the amount of any payment under this paragraph shall be determined in accordance with the following provisions of this paragraph.

(4) Any payment to be made under this paragraph shall be such amount as is determined by the Secretary of State after consultation with the actuaries and notified to the persons administering the Paragraph 2 Section and the Paragraph 5 Section.

(5) The Secretary of State shall make a determination on or before 13th April 1995 of the payments to be made under this paragraph, and shall, so far as reasonably practicable, determine the amounts so that each of the payments to be made is equal.

(6) Where, in respect of the first amount, the final payment under paragraph 2 has been made but the sum of the payments made under this paragraph and the interest which has accrued under sub-paragraph (1) are not equal then—

- (a) if the sum of the said payments is less than the said interest the Secretary of State shall, as soon as is reasonably practicable, pay an amount equal to the shortfall; and
- (b) if the sum of the said payments exceeds the said interest the excess shall be deducted from any other amount payable to the persons administering the Paragraph 2 Section and the Paragraph 5 Section.

4.—(1) Interest shall accrue from 13th April 1995 to 13th October 1995 on the outstanding balance for the time being of each relevant Table A amount, on 13th October 1995, at the rate of 4.25 per cent per annum, and shall be added to the outstanding balance of the relevant Table A amount in respect of which it has accrued on 14th October 1995.

(2) Subject to sub-paragraph (3), interest shall accrue from 13th October 1995 to 13th October 1996 and during subsequent relevant periods, on 13th October of each year, on the outstanding balance for the time being of each relevant Table A amount at the rate of—

$$\left(1.0425 \times \left(\frac{Z}{W}\right) - 1\right) \times 100$$

per cent per annum where—

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“W” means the retail prices index for the month of September in the year before the year in which the relevant period begins, and

“Z” means the retail prices index for the month of September in the year in which the relevant period begins.

(3) Where paragraph 2 requires the Secretary of State to commence payment of a relevant Table A amount during a relevant period (“the first relevant period”) interest shall accrue during that and the following relevant period on the outstanding balance for the time being of that relevant Table A amount at the rate of—

$$\left(1.0425 \times \left(\frac{Z}{W}\right)^{\frac{365}{360}} - 1\right) \times 100$$

per cent per annum where—

“W” means the retail prices index for the month of September in the year before the year in which the first relevant period begins, and

“Z” means the retail prices index for the month of September in the year in which the first relevant period begins.

(a) (4) (a) Where interest accrues under sub-paragraph (2) it shall be added to the outstanding balance of the relevant Table A amount in respect of which it has accrued on the day after it has accrued.

(b) Where interest accrues under sub-paragraph (3) it shall not be added to the outstanding balance of the relevant Table A amount in respect of which it accrues but shall be paid in accordance with paragraph 5.

(5) In this paragraph—

“relevant period” means a period of twelve months, the first such period being the period from 13th October 1995 to 13th October 1996 and subsequent relevant periods being periods of 12 months starting from the end of the previous relevant period; and

$$\frac{Z}{W}$$

shall be calculated to three decimal places and, if

$$\frac{Z}{W}$$

is less than one, it shall be treated as one.

5.—(1) Where paragraph 2 requires the Secretary of State to make any payment in respect of a relevant Table A amount the Secretary of State shall also, on the same date, make a payment in respect of any interest which has accrued or is accruing in respect of that relevant Table A amount under paragraph 4, and the amount of any payment under this paragraph shall be determined in accordance with the following provisions of this paragraph.

(2) Any payment to be made under this paragraph shall be such amount as is determined by the Secretary of State after consultation with the actuaries and notified to the persons administering the Paragraph 2 Section and the Paragraph 5 Section.

(3) The Secretary of State shall make a determination on or before 14th March in each year of the payments to be made under this paragraph from 13th April in that year to 13th April in the following year, and shall, so far as reasonably practicable, determine the amounts so that each of the payments to be made is equal.

(4) Where, in respect of any relevant Table A amount, the final payment under paragraph 2 has been made but the sum of the payments made under this paragraph and the interest which has accrued under paragraph 4 are not equal then—

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- (a) if the sum of the said payments is less than the said interest the Secretary of State shall, as soon as is reasonably practicable, pay an amount equal to the shortfall; and
- (b) if the sum of the said payments exceeds the said interest the excess shall be deducted from any other amount payable to the persons administering the Paragraph 2 Section and the Paragraph 5 Section.

TABLE A

<i>Column 1</i> YEAR	<i>Column 2</i> AMOUNT
	£ million
1995	0.157
1996	0.125
1997	0.116
1998	0.108
1999	0.101
2000	0.100
2001	0.089
2002	0.083
2003	0.074
2004	0.069
2005	0.063
2006	0.059
2007	0.058
2008	0.057
2009	0.048
2010	0.047
2011	0.048
2012	0.038
2013	0.041
2014	0.036
2015	0.031
2016	0.029
2017	0.022
2018	0.021
2019	0.021
2020	0.016
2021	0.014

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<i>Column 1</i> YEAR	<i>Column 2</i> AMOUNT
2022	0.013
2023	0.013
2024	0.012
2025	0.012
2026	0.011
2027	0.011
2028	0.010
2029	0.010
2030	0.009