

SCHEDULE 3

AMENDMENTS OF THE RAILWAY PENSIONS (SUBSTITUTION) ORDER 1994

PART II

2. Schedule 1 to the 1994 Order shall be amended in accordance with paragraphs 3 to 5 of this Schedule.

3. In paragraph 4—

(a) in sub-paragraph (2) at the end there shall be inserted the following—

“where—

“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”;

(b) for sub-paragraph (3) there shall be substituted the following—

“(3) Where paragraph 3 requires the Secretary of State to commence payment of a 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—

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

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”;

(c) after sub-paragraph (3) there shall be inserted the following—

(a) “(3A) Where interest accrues under sub-paragraph (1) it shall be added to the outstanding balance of the 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 Table A amount in respect of which it accrues but shall be paid in accordance with paragraph 6.”; and

(d) in sub-paragraph (4) the definitions of “W” and “Z” shall be deleted.

4. Paragraph 5 shall be deleted.

5. In paragraph 6—

(a) in sub-paragraph (1) for the words “any interest which has accrued on and has been added to, or which is to accrue on,” there shall be substituted “any interest which has accrued or is accruing on”;

(b) for references to “the persons administering the section” (in both places where they occur) there shall be substituted “the persons administering the Paragraph 1 Section and the Paragraph 4 Section”.