
EXPLANATORY NOTE

(This note is not part of the Order)

This Order terminates the liability of the Secretary of State to make payments under section 52(1) of the Transport Act 1980 (“the 1980 Act”) in respect of two sections of the Railways Pension Scheme, designated for that purpose by the Order (articles 2 and 3), and makes provision for payments to be made in substitution for that liability.

It specifies 13th August 2001 as the termination date in respect of each such section. This means that, in respect of each, the liability of the Secretary of State to make payments under section 52(1) ceases after that date (article 4).

The Order specifies the capital value of the unfunded obligations (as defined in section 52B of the 1980 Act) in respect of each of the sections as at the termination date (article 4).

Article 5 and Schedule 1 require the Secretary of State to make payments in respect of the capital values of the unfunded obligations and provide for the accrual and payment of interest on the outstanding balances of those capital values.

Article 6 provides for the liability of the Secretary of State to make payments under Schedule 1 to be discharged in the event of the winding up of both sections.

Article 7 and Schedule 2 provide for the amendment of the Railway Pensions (Substitution) Order 1994 ([S.I. 1994/2388](#)).

Article 8 and Schedule 3 provide for the amendment of the Railway Pensions (Substitution and Miscellaneous Provisions) Order 1995 ([S.I. 1995/430](#)).

This Order does not impose any costs on business.