

SCHEDULE 2

DETERMINATION OF ANNUAL AND INITIAL PAYMENTS

[^{F1}Bridging pensions

4A.—(1) This paragraph applies where—

- (a) the annual rate of the pension determined for the purposes of calculating the expected pension under paragraph 3(2) or 4(2) includes an amount which, under the scheme rules, was payable for a period which is shorter than the period in respect of which the remainder of the pension was payable; and

[^{F2}(b) either—

- (i) an annuity has been purchased for the beneficiary which provides for payment of a pension to the beneficiary at a lower annual rate from the date on which the amount referred to in sub-paragraph (1)(a) would have ceased to be payable under the scheme rules; or
- (ii) a notional pension has been determined in respect of the beneficiary which includes an amount in respect of an amount which under scheme rules would be payable for a period which is shorter than the period in respect of which the remainder of the pension would be payable.]

(2) Where this paragraph applies, the scheme manager shall redetermine the annual payment payable to that beneficiary with effect from the date on which the amount referred to in sub-paragraph (1)(a) would have ceased to be payable under the rules of the pension scheme.

(3) When redetermining an annual payment under sub-paragraph (2)—

- (a) the annual rate of the pension for the purposes of paragraph 3(3)(a) [^{F3}and (c)] shall be the annual rate of pension which was or should have been in payment to the qualifying member in accordance with the scheme rules in respect of rights accrued in a qualifying pension scheme less the annual amount which was payable for the shorter period referred to in sub-paragraph (1)(a), as at the day which is the day before the day on which the qualifying pension scheme began to be wound up;
- (b) the annual rate of the pension for the purposes of paragraph 3(3)(b)(i) shall be the amount which was or should have been in payment to the qualifying member in accordance with the scheme rules in respect of rights accrued in a qualifying pension scheme less the annual amount which was payable for the shorter period referred to in sub-paragraph (1)(a), as at the day on which the qualifying member attained normal retirement age;
- (c) the amount specified in paragraph 4(3)(a) shall be the amount determined in accordance with that paragraph less the amount which is the amount which was payable for the shorter period referred to in sub-paragraph (1)(a);
- (d) the amount which was payable for the shorter period referred to in sub-paragraph (1)(a) shall be disregarded when determining the revaluation amounts; and
- (e) the beneficiary shall be entitled to so much of the total amount of the annual increases determined in accordance with paragraph 9 payable to the beneficiary as at the date referred to in sub-paragraph (2) as are attributable to the amount of expected pension determined in accordance with this paragraph.

(4) In any case where the scheme manager is satisfied, having regard to the information available to it, that it is not possible for it to determine the annual rate of pension for the purposes of sub-paragraph (3)(a) or (b) or any one of the amounts for the purposes of sub-paragraph (3)(c) to (e) it shall determine that annual rate or amount, having regard to such matters as it considers relevant.

Changes to legislation: There are currently no known outstanding effects for the The Financial Assistance Scheme Regulations 2005, Paragraph 4A. (See end of Document for details)

- (5) In sub-paragraph (3)(d) “the revaluation amounts” means—
- (a) the revaluation amount referred to in paragraph 3(3)(b)(ii) [^{F4}and (c)(ii) and (iii)]; and
 - (b) the revaluation amounts referred to in paragraph 4(3)(b) to (d).]

Textual Amendments

- F1** Sch. 2 paras. 4A, 4B inserted (10.7.2009) by [The Financial Assistance Scheme \(Miscellaneous Provisions\) Regulations 2009 \(S.I. 2009/1851\)](#), regs. 1, **24** (with reg. 37)
- F2** Sch. 2 para. 4A(1)(b) substituted (2.4.2010) by [The Financial Assistance Scheme \(Miscellaneous Amendments\) Regulations 2010 \(S.I. 2010/1149\)](#), regs. 1, **16(e)(i)**
- F3** Words in Sch. 2 para. 4A(3)(a) inserted (2.4.2010) by [The Financial Assistance Scheme \(Miscellaneous Amendments\) Regulations 2010 \(S.I. 2010/1149\)](#), regs. 1, **16(e)(ii)**
- F4** Words in Sch. 2 para. 4A(5)(a) inserted (31.3.2011) by [The Financial Assistance Scheme \(Revaluation and Indexation Amendments\) Regulations 2011 \(S.I. 2011/839\)](#), regs. 1(1), **8**

Changes to legislation:

There are currently no known outstanding effects for the The Financial Assistance Scheme Regulations 2005, Paragraph 4A.