

SCHEDULE 1

Regulation 138

Payments for extra pension

PART 1

General

Interpretation

1. In this Schedule—

“added pension option” means the option to make added pension payments;

“amount of accrued added pension” means the total of—

(a) the amount of accrued added (self only) pension (if any); and

(b) the amount of accrued added (all beneficiaries) pension (if any);

“amount of extra pension” has the meaning given in paragraph 2;

“appropriate pay period” means the pay period that the scheme manager considers appropriate;

“effective pension age option” means the option to make effective pension age payments;

“effective pension age payments” means periodical payments for an effective pension age made to this scheme;

“eligible employment” has the meaning given in paragraph 34;

“enhanced effective pension age option” means the option to make enhanced effective pension age payments;

“enhanced effective pension age payments” means periodical payments for an enhanced effective pension age made to this scheme;

“overall limit of extra pension” has the meaning given in paragraph 3;

“periodical payment period” means the period for which periodical payments for added pension, an effective pension age or an enhanced effective pension age are payable;

“period of service”, in relation to this scheme, means a continuous period of pensionable service under this scheme;

“the relevant day”, in relation to a lump sum payment for added pension, means—

(a) if the scheme manager provides a statement of the amount of added pension, the first day after the period of one month beginning with the date of the statement; or

(b) otherwise, the day on which the lump sum payment is received by the scheme manager;

“the relevant scheme year” means the scheme year in which the relevant day falls;

“statement of the amount of added pension” means the statement referred to in paragraph 18;

“third party” means a third party approved by the scheme manager to make payments for extra pension in respect of an active member of this scheme; and

“value”, in relation to an effective pension age option or an enhanced effective pension age option, means a value determined by the scheme manager under Part 3 or 4 of this Schedule.

Meaning of “amount of extra pension”

2. The amount of extra pension at any given time is the total of the following—

(a) the amount of accrued added pension at that time;

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- (b) if the member has exercised one or more effective pension age options or enhanced effective pension age options, the value of each option as at that time.

Meaning of “overall limit of extra pension”

3.—(1) The overall limit of extra pension is—

- (a) £6,500 for any scheme year ending before 1st April 2016; and
- (b) for any scheme year beginning on or after 1st April 2016—
 - (i) the overall limit of extra pension determined by the Treasury in respect of that scheme year as published before the start of that scheme year; or
 - (ii) if no such determination is made, the amount calculated under paragraph (2).

(2) The amount is the amount to which the annual rate of a pension of an amount equal to the overall limit of extra pension for the previous scheme year would have been increased under PIA 1971 if—

- (a) that pension were eligible to be so increased; and
- (b) the beginning date for that pension were the first day of the previous scheme year.

Limit on elections

4. An added pension option may not be exercised in relation to a member if the member has exercised an effective pension age option or an enhanced effective pension age option and—

- (a) the value of the effective pension age option or enhanced effective pension age option exceeds the overall limit of extra pension; or
- (b) if the added pension option is exercised, the amount of extra pension would exceed the overall limit of extra pension.

Amount of accrued added pension may not exceed overall limit of extra pension

5.—(1) At any given time, the total amount of accrued added pension in all the active member’s accounts established for a member under Part 5 may not exceed the overall limit of extra pension.

(2) If a member has opted to make periodical payments for added pension under this scheme, the scheme manager may by notice to the member cancel the added pension option if it appears to the scheme manager that the overall limit of extra pension will be exceeded if the member continues to make the periodical payments.

(3) If the scheme manager cancels the option, the periodical payments cease to be payable from the next pay period beginning after the date specified in the notice of cancellation.

(4) For the purpose of this paragraph, “amount of accrued added pension” does not include any amount attributable to a lump sum payable to a member under a compensation scheme.

Actuarial advice

6. The scheme manager must take advice from the scheme actuary before determining any amount under this Schedule.

PART 2

Payments for added pension

CHAPTER 1

Exercising the added pension option

Added pension option exercisable by member

- 7.—(1) An active member of this scheme may opt to make added pension payments to increase—
- (a) the member’s retirement benefits⁽¹⁾ for a period of service; or
 - (b) the member’s retirement benefits and death benefits payable in respect of the member for a period of service.
- (2) A member may exercise the added pension option by notice to the scheme manager in a form required by the scheme manager (“the option notice”).
- (3) The option notice must state whether the added pension payments are to be made by—
- (a) periodical payments; or
 - (b) a lump sum payment.
- (4) If the whole or part of any lump sum payable to the member under a compensation scheme is to be used as a lump sum payment for added pension the option notice must specify this.
- (5) A member may exercise the added pension option more than once but an option to make a lump sum payment for added pension may only be exercised once in any scheme year.
- (6) An option to make a lump sum payment for added pension may only be exercised if the member—
- (a) has been an active member of this scheme in relation to a continuous period of pensionable service for at least 12 months; and
 - (b) has been provided with a statement of the amount of added pension (if paragraph 18 applies).

Added pension option exercisable by employer or third party

- 8.—(1) A third party or the employer of an active member of this scheme may, if the scheme manager approves, opt to make a lump sum payment for added pension to increase—
- (a) the member’s retirement benefits for a period of service; or
 - (b) both the member’s retirement benefits and death benefits payable in respect of the member for a period of service.
- (2) The employer or third party may exercise an added pension option by notice to the scheme manager in a form required by the scheme manager (“the option notice”).
- (3) The employer or third party may exercise an added pension option more than once but only once in any scheme year.
- (4) If an active member opts for the whole or part of any lump sum payable to the member under a compensation scheme to be used to make a lump sum payment for added pension, the member’s employer may opt to make a lump sum payment under this regulation.

(1) Added pension which increases the member’s retirement benefits is payable to the member as part of the member’s full retirement pension or partial retirement pension in accordance with the provisions of Part 6 of these Regulations.

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CHAPTER 2

Periodical payments for added pension

Application of Chapter

9. This Chapter applies in relation to an active member of this scheme who opts to make periodical payments for added pension under this scheme.

Member's option to make periodical payments for added pension

- 10.—(1) The option notice must specify—
- (a) the periodical payment period; and
 - (b) the amount of the periodical payment to be deducted by the member's employer from the member's pensionable earnings in each pay period.
- (2) The amount of the periodical payment may be expressed as—
- (a) a percentage of the member's pensionable earnings; or
 - (b) a fixed sum.
- (3) The amount of the periodical payment must not be less than any minimum amount determined by the scheme manager.

Cancellation of option by member

- 11.—(1) The member may, by notice to the scheme manager, cancel the option at any time during the periodical payment period.
- (2) If the member cancels the option, the periodical payments cease to be payable from the beginning of the next scheme year after the scheme manager receives the notice of cancellation.

Periodical payments

- 12.—(1) The periodical payments are payable by deduction by the member's employer from the member's pensionable earnings during the periodical payment period.
- (2) The periodical payment period—
- (a) begins with—
 - (i) if the member exercises the option within 3 months after joining this scheme, the first appropriate pay period beginning on or after the date on which the scheme manager receives the option notice; or
 - (ii) in any other case, the first appropriate pay period of the scheme year beginning on or after the date on which the scheme manager receives the option notice; and
 - (b) ends on the earlier of—
 - (i) the date on which the member ceases to be an active member of this scheme; and
 - (ii) the date specified in the option notice.
- (3) Subject to sub-paragraph (4), during a period of assumed pay the member may—
- (a) stop the periodical payments; or
 - (b) continue the periodical payments as if the member were receiving pensionable earnings at the full rate.

(4) During any period in which the member is receiving statutory maternity pay within the meaning of the Social Security Contributions and Benefits Act 1992(2) or is on paid ordinary maternity leave, paid adoption leave or paid paternity leave, the member may—

- (a) stop the periodical payments; or
- (b) make periodical payments of an amount determined by reference to the member's actual pay during that period.

(5) If a member stops the periodical payments during a period of assumed pay, the member may, by notice to the scheme manager in a form required by the scheme manager, resume the periodical payments in the next pay period after the period of assumed pay ends.

Amount of added (self only) pension for a scheme year (periodical payments)

13.—(1) This paragraph applies in relation to each scheme year during which a member makes periodical payments to increase the member's retirement benefits only.

(2) An amount of added (self only) pension is credited to the active member's account for that scheme year.

(3) The amount is determined by the scheme manager by reference to published actuarial tables, having regard to the cost in the scheme year of providing retirement benefits to a person of the member's age and gender.

Amount of added (all beneficiaries) pension for a scheme year (periodical payments)

14.—(1) This paragraph applies in relation to each scheme year during which a member makes periodical payments to increase—

- (a) the member's retirement benefits; and
- (b) death benefits payable in respect of the member.

(2) An amount of added (all beneficiaries) pension is credited to the active member's account for that scheme year.

(3) The amount is determined by the scheme manager by reference to published actuarial tables, having regard to the cost in the scheme year of providing retirement benefits to—

- (a) a person of the member's age; and
- (b) dependants of a person of that age.

CHAPTER 3

Lump sum payments for added pension made by member

Application of Chapter

15. This Chapter applies in relation to an active member of this scheme who opts to make a lump sum payment for added pension under this scheme.

Member's option to make a lump sum payment for added pension

16.—(1) The option notice must specify the amount of the lump sum which must not be less than any minimum amount determined by the scheme manager.

(2) The lump sum is payable immediately to the scheme manager by deduction by the member's employer from the member's pensionable earnings or otherwise.

(2) 1992 c. 4.

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Payment by lump sum from a compensation scheme

17.—(1) This paragraph applies if the member specifies in the option notice that the whole or part of any lump sum payable to the member under a compensation scheme is to be used as a lump sum payment for added pension.

(2) The member's employer may make a lump sum payment for added pension in relation to the member using the whole or part of the lump sum as specified in the option notice.

Statement of amount of added pension

18.—(1) If the scheme manager so requires, the member before exercising the option must ask the scheme manager to provide a statement of the amount of added pension.

(2) A statement of the amount of added pension must set out the amount that would be credited to the active member's account if the lump sum is received by the scheme manager within one month after the date of the statement.

(3) The statement must also—

- (a) specify the overall limit of extra pension; and
- (b) inform the member if it appears to the scheme manager that the overall limit of extra pension would be exceeded if the active member's account is credited with the amount of added pension set out in the statement.

Amount of added (self only) pension (lump sum payment)

19.—(1) This paragraph applies if a member opts to make a lump sum payment to increase the member's retirement benefits only.

(2) Following payment of the lump sum by the member an amount of added (self only) pension is credited to the active member's account for the relevant scheme year.

(3) The amount credited to the account is—

- (a) if the scheme manager has provided a statement of the amount of added pension and the lump sum is received by the scheme manager within one month after the date of the statement, the amount specified in the statement; or
- (b) otherwise, an amount determined by the scheme manager by reference to published actuarial tables, having regard to—
 - (i) the amount of the lump sum;
 - (ii) the cost as at the relevant day of providing retirement benefits to a person of the member's age and gender;
 - (iii) factors relating to the member's circumstances as at the relevant day; and
 - (iv) any other factors as at the date of the statement of the amount of added pension to which the scheme actuary considers regard should be had.

Amount of added (all beneficiaries) pension (lump sum payment)

20.—(1) This paragraph applies if a member opts to pay a lump sum to increase—

- (a) the member's retirement benefits; and
- (b) death benefits payable in respect of the member.

(2) On payment of the lump sum by the member an amount of added (all beneficiaries) pension is credited to the active member's account in the relevant scheme year.

(3) The amount credited to the account is—

- (a) if the scheme manager has provided a statement of the amount of added pension and the lump sum is received by the scheme manager within one month after the date of the statement, the amount specified in the statement; or
- (b) otherwise, an amount determined by the scheme manager by reference to published actuarial tables, having regard to—
 - (i) the amount of the lump sum;
 - (ii) the cost as at the relevant day of providing retirement benefits to a person of the member's age and dependants of a person of that age;
 - (iii) factors relating to the member's circumstances as at the relevant day; and
 - (iv) any other factors as at the date of the statement of the amount of added pension to which the scheme actuary considers regard should be had.

CHAPTER 4

Lump sum payments for added pension made by employer or third party

Application of Chapter

21. This Chapter applies in relation to an employer or third party who opts to make a lump sum payment for added pension in relation to an active member of this scheme.

Employer or third party option to make a lump sum payment for added pension

22.—(1) The option notice must specify the amount by which the member's added (self only) pension or added (all beneficiaries) pension for the relevant scheme year is to be increased.

(2) The amount of the lump sum payment is—

- (a) if the option notice specifies an increase in the member's added (self only) pension, an amount determined by the scheme manager, after consultation with the scheme actuary, having regard to the cost as at the relevant day of providing retirement benefits to a person of the member's age and gender; and
- (b) if the option notice specifies an increase in the member's added (all beneficiaries) pension, an amount determined by the scheme manager, after consultation with the scheme actuary, having regard to the cost as at the relevant day of providing retirement benefits to—
 - (i) a person of the member's age; and
 - (ii) the dependants of such a person.

(3) The lump sum payment must be paid in a manner determined by the scheme manager after consultation with the scheme actuary.

(4) The scheme manager must notify the employer or third party of the amount of the lump sum and the manner in which it is to be paid.

Amount of added (self only) pension (lump sum payment)

23.—(1) This paragraph applies if an employer or third party opts to make a lump sum payment to increase the member's added (self only) pension.

(2) On payment of the lump sum by the employer or third party an amount of added (self only) pension is credited to the active member's account in the relevant scheme year.

(3) The amount credited to the account is an amount determined by the scheme manager, after consultation with the scheme actuary, having regard to the amount of the lump sum payment.

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Amount of added (all beneficiaries) pension (lump sum payment)

24.—(1) This paragraph applies if an employer or third party opts to pay a lump sum to increase the member's added (all beneficiaries) pension.

(2) On payment of the lump sum by the employer or third party an amount of added (all beneficiaries) pension is credited to the active member's account in the relevant scheme year.

(3) The amount credited to the account is an amount determined by the scheme manager, after consultation with the scheme actuary, having regard to the amount of the lump sum payment.

PART 3

Effective pension age payments

CHAPTER 1

Exercising the effective pension age option

Effective pension age option exercisable by the member

25.—(1) This paragraph applies if an active member of this scheme in relation to a continuous period of pensionable service has a normal pension age above 65 years.

(2) Subject to sub-paragraphs (3) and (4), the member may opt to make periodical payments for an effective pension age of 1, 2 or 3 years below the member's normal pension age ("effective pension age option").

(3) An effective pension age option may not be exercised to achieve an effective pension age below 65 years.

(4) The member may opt to make periodical payments for an effective pension age of any period up to 3 years below the member's normal pension age if that would achieve an effective pension age of 65 years.

(5) An effective pension age is—

- (a) relative to normal pension age; and
- (b) automatically adjusted to reflect any change in normal pension age.

Exercising the effective pension age option

26.—(1) A member may exercise an effective pension age option by notice to the scheme manager in any form the scheme manager may require ("the option notice").

(2) The option notice must state the effective pension age which is to apply under the option.

(3) A member may exercise an effective pension age option more than once.

(4) A member may not exercise an effective pension age option during—

- (a) a period of assumed pay; or
- (b) any scheme year in which the member has reached the overall limit of extra pension for that year.

Payment of pension at effective pension age

27.—(1) For any part of a scheme year in which a member makes periodical payments for an effective pension age option, the member is entitled to payment of a full retirement earned pension

or partial retirement earned pension attributable to the option at the effective pension age stated in the option without actuarial reduction.

(2) The amount of pension attributable to the option is reduced if the periodical payments are stopped before the end of the periodical payment period.

(3) For any period in which the periodical payments are stopped, an amount of standard earned pension is credited to the active member's account instead of an amount of earned pension attributable to the option.

Member ceases to be in pensionable service under this scheme

28.—(1) An effective pension age option in relation to a continuous period of pensionable service under this scheme ceases to have effect when the member ceases to be in that pensionable service.

(2) Periodical payments cease to be payable from the member's last day of pensionable service.

(3) In the circumstances provided for in regulation 139(2), the member is entitled to a refund under that regulation of the periodical payments.

(4) If the member re-enters pensionable service under this scheme after a gap in pensionable service not exceeding 5 years, the periodical payments resume in the first pay period after the member re-enters pensionable service unless—

(a) the periodical payments have been refunded to the member under regulation 139; or

(b) a transfer payment has been made to another scheme in respect of the member's accrued rights under this scheme.

(5) The periodical payments resume under sub-paragraph (4) even if the member has reached the overall limit of extra pension for the scheme year in which the payments resume.

Cancellation of option

29.—(1) A member may, by notice to the scheme manager, cancel an effective pension age option at any time during the periodical payment period.

(2) If the member cancels the option, the periodical payments cease to be payable from the beginning of the next scheme year after the scheme manager receives notice of the cancellation.

(3) If the member exercises an effective pension age option again within a period not exceeding 5 years, the periodical payments resume from the first pay period of the next scheme year beginning after the date on which the member exercises the option again.

(4) The periodical payments resume under sub-paragraph (3) even if the member has reached the overall limit of extra pension for the scheme year in which the payments resume.

Value of an effective pension age option

30.—(1) The value of an effective pension age option at any time is a value determined by the scheme manager as at that time⁽³⁾.

(2) A member who has exercised an effective pension age option—

(a) may at any time ask the scheme manager to provide a statement of the value of the effective pension age option; and

(b) must ask the scheme manager to provide a statement of the value of the effective pension age option before an added pension option may be exercised in relation to the member.

(3) Under paragraph 4(a) (limit on elections), a member may not exercise an added pension option if the value of an effective pension age option exceeds the overall limit of extra pension.

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CHAPTER 2

Making effective pension age payments

Amount of periodical payments

31.—(1) Periodical payments for an effective pension age are payable by deduction by the member's employer from the member's pensionable earnings in every pay period during the periodical payment period.

(2) The amount of the periodical payments is an amount—

- (a) determined by the scheme manager; and
- (b) set out in a notice to the member.

(3) The scheme manager must determine the amount by reference to published actuarial tables having regard to—

- (a) the member's age and gender; and
- (b) the number of years before the member will reach normal pension age.

(4) Before the start of every scheme year, the scheme manager must—

- (a) review the amount of the periodical payments; and
- (b) if the scheme manager re-determines the amount, send the member notice of the amount payable from the start of the next scheme year.

Periodical payment period

32. The periodical payment period—

(a) begins with—

- (i) if the member exercises the option within 3 months after joining this scheme, the first appropriate pay period beginning on or after the date on which the scheme manager receives the option notice; or
- (ii) in any other case, the first appropriate pay period of the scheme year beginning on or after the date on which the scheme manager receives the option notice; and

(b) ends on the earlier of—

- (i) the date on which the member ceases to be in pensionable service in the eligible employment to which the option relates; and
- (ii) the date on which the member reaches the effective pension age.

Periodical payments during period of assumed pay

33.—(1) Subject to sub-paragraph (2), during a period of assumed pay the member may—

- (a) stop the periodical payments; or
- (b) continue the periodical payments as if the member were receiving pensionable earnings at the full rate.

(2) During any period in which the member is receiving statutory maternity pay within the meaning of the Social Security Contributions and Benefits Act 1992 or is on paid ordinary maternity leave, paid adoption leave or paid paternity leave, the member may—

- (a) stop the periodical payments; or
- (b) make periodical payments of an amount determined by reference to the member's actual pay during that period.

(3) If a member stops the periodical payments during a period of assumed pay, the member may, by notice to the scheme manager in a form required by the scheme manager, resume the periodical payments in the next pay period after the period of assumed pay ends.

PART 4

Enhanced effective pension age payments

CHAPTER 1

Eligibility for enhanced effective pension age option

Eligibility

34.—(1) The scheme manager must publish a list of scheme employments in respect of which an enhanced effective pension age option may be exercised (“eligible employments”) and, in relation to each employment, the date by which persons in that employment or the dates by which specified persons within that employment must exercise the option.

(2) An enhanced effective pension age option may only be exercised by a person to whom paragraph 35 or 36 applies.

(3) A member may only exercise an enhanced effective pension age option once.

(4) A tapered protection member of the PCSPS (T) to whom paragraph 28(1) of Schedule 2 applies may only exercise the enhanced effective pension age option if T has opted to begin pensionable service under this scheme on the day after the scheme closing date⁽⁴⁾.

Opting for enhanced effective pension age of 60

35.—(1) This paragraph applies to a transition member with continuity of service who—

- (a) is in pensionable service under this scheme in an eligible employment;
- (b) began that pensionable service on the day after the scheme closing date; and
- (c) has a normal pension age of 60 under the PCSPS.

(2) The member may opt, in relation to that pensionable service, to make periodical payments for an enhanced effective pension age of 60.

Opting for enhanced effective pension age of 65

36.—(1) This paragraph applies to a person (P)—

- (a) who is in pensionable service under this scheme in an eligible employment; and
- (b) whose normal pension age under this scheme is above 65.

(2) P may opt, in relation to that pensionable service, to make periodical payments for an enhanced effective pension age of 65.

CHAPTER 2

Exercising the enhanced effective pension age option

Exercise of option

37.—(1) An enhanced effective pension age option may only be exercised—

(4) The option for tapered protection members of the PCSPS is provided for in paragraph 28 of Schedule 2.

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- (a) by notice to the scheme manager in a form required by the scheme manager (“the option notice”); and
 - (b) with the approval of the Minister.
- (2) An option notice must state the enhanced effective pension age which is to apply under the option.
- (3) A member may not exercise an enhanced effective pension age option during—
- (a) a period of assumed pay; or
 - (b) any scheme year in which the member has reached the overall limit of extra pension for that year.

Payment of pension at enhanced effective pension age

38.—(1) For any part of a scheme year in which a member makes periodical payments for an enhanced effective pension age option, the member is entitled to payment of a full retirement earned pension or partial retirement earned pension attributable to the option at the enhanced effective pension age stated in the option without actuarial reduction.

(2) The amount of pension attributable to the option is reduced if the periodical payments are stopped before the end of the periodical payment period.

(3) For any period in which the periodical payments are stopped, an amount of standard earned pension is credited to the active member’s account instead of an amount of earned pension attributable to the option.

Member ceases to be in pensionable service in an eligible employment

39.—(1) An enhanced effective pension age option in relation to pensionable service in an eligible employment ceases to have effect when the member ceases to be in that pensionable service.

(2) Periodical payments cease to be payable from the member’s last day of pensionable service in relation to that employment.

(3) If the member re-enters pensionable service in that employment after a gap in pensionable service not exceeding 5 years, the periodical payments resume from the first pay period of the next scheme year beginning after the date on which the member re-enters pensionable service.

(4) Sub-paragraph (3) does not apply if before the member re-enters pensionable service in that employment the member notifies the scheme manager that the payments are not to resume.

(5) If the member re-enters pensionable service in that employment after a gap in pensionable service of more than 5 years, the member may not resume periodical payments in relation to that option without the approval of the Minister.

Cancellation of option

40.—(1) A member may, by notice to the scheme manager, cancel an enhanced effective pension age option at any time during the periodical payment period.

(2) If the member cancels the option, the periodical payments cease to be payable from the beginning of the next scheme year after the scheme manager receives notice of the cancellation.

(3) A member may cancel that part of the periodical payments which relate to the years after the member would reach 60 and before the member would reach 65 without cancelling that part of the periodical payments which relate to the years after the member would reach 65 and before the member would reach normal pension age.

(4) A member who has cancelled an enhanced effective pension age option may not resume periodical payments in relation to that option without the approval of the Minister.

Determining the value of an enhanced effective pension age option

41.—(1) The value of an enhanced effective pension age option at any time is a value determined by the scheme manager as at that time.

- (2) A member who has exercised an enhanced effective pension age option—
- (a) may at any time ask the scheme manager to provide a statement of the value of the enhanced effective pension age option; and
 - (b) must ask the scheme manager to provide a statement of the value of the enhanced effective pension age option before an added pension option may be exercised in relation to the member.

CHAPTER 3

Making enhanced effective pension age payments

Amount of periodical payments

42.—(1) Periodical payments for an enhanced effective pension age are payable by deduction by the member's employer from the member's pensionable earnings for every pay period during the periodical payment period.

(2) The member's employer must pay a proportion of the periodical payments as determined by the scheme manager which relate to the years after the member would reach 65 and before the member would reach normal pension age.

(3) The member's employer is not required to pay any proportion of the periodical payments which relate to the years after the member would reach 60 and before the member would reach 65.

(4) The amount of the periodical payments is an amount—

- (a) determined by the scheme manager; and
- (b) set out in a notice to the member and the member's employer.

(5) The scheme manager must determine the amount by reference to published actuarial tables having regard to—

- (a) the member's age and gender; and
- (b) the number of years before the member will reach normal pension age.

(6) Before the start of every scheme year, the scheme manager must—

- (a) review the amount of the periodical payments; and
- (b) if the scheme manager re-determines the amount, send the member and, if applicable, the member's employer notice of the amount payable from the start of the next scheme year.

Periodical payment period

43. The periodical payment period—

- (a) begins with—
 - (i) if the member exercises the option within 3 months after joining this scheme, the beginning of the first appropriate pay period beginning on or after the date on which the scheme manager receives the option notice; or
 - (ii) in any other case, the beginning of the first appropriate pay period of the scheme year beginning on or after the date on which the scheme manager receives the option notice; and
- (b) ends on the earlier of—

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- (i) the date on which the member ceases to be in pensionable service in the eligible employment to which the option relates; and
- (ii) the date on which the member reaches the enhanced effective pension age.

Making periodical payments during period of assumed pay

44.—(1) Subject to sub-paragraph (2), during a period of assumed pay, the member may—

- (a) stop the periodical payments payable under an enhanced effective pension age option; or
- (b) continue the periodical payments as if the member were receiving pensionable earnings at the full rate.

(2) During any period in which the member is receiving statutory maternity pay within the meaning of the Social Security Contributions and Benefits Act 1992 or is on paid ordinary maternity leave, paid adoption leave or paid paternity leave, the member may—

- (a) stop the periodical payments; or
- (b) make periodical payments of an amount determined by reference to the member's actual pay during that period.

(3) A member may stop that part of the periodical payments which relates to the years after the member would reach 60 and before the member would reach 65 without stopping that part of the periodical payments which relates to the years after the member would reach 65 and before the member would reach normal pension age.

(4) If a member stops the periodical payments during a period of assumed pay, the member may, with the approval of the Minister, resume the periodical payments at the beginning of the next pay period after the period of assumed pay ends.