

SCHEDULE 1

Payments for extra pension

PART 4

Enhanced effective pension age payments

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—

- (i) the date on which the member ceases to be in pensionable service in the eligible employment to which the option relates; and

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(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.