SCHEDULES

SCHEDULE 2

Article 10.

EARNINGS FACTORS AND TRANSFER VALUES

PART I

EARNINGS FACTORS

1.—(1) In section 13 of the principal Act—

(a) in subsection (5) (earnings factors to be expressed as whole numbers of pounds), after "shall", in the first place where it occurs, insert ", subject to subsection (5ZA) below,"; and

(b) after that subsection insert the following subsection—

"(5ZA) Subsection (5) above does not require earnings factors which have been revalued for the purpose of calculating guaranteed minimum pensions to be expressed as whole numbers of pounds.".

(2) In Article 37(5) of the Pensions Order (earner's guaranteed minimum), after "by" insert "the same percentage as that prescribed for the increase of earnings factors by".

(3) This paragraph shall be deemed to have come into operation on 6th April 1979.

2. After Article 70A of the Pensions Order insert the following Article—

"**Guaranteed minimum pensions attributable in part to period before 1988—1989**

70B. Where a guaranteed minimum pension is attributable in part to earnings factors for the period before the tax year 1988—1989 and in part to earnings factors for that tax year or for that tax year and subsequent tax years, the pension shall be calculated by applying Article 70A separately to the amount attributable to the period before the tax year 1988—1989 and to the amount attributable to that and subsequent tax years and then aggregating the two amounts so calculated.".

PART II

TRANSFER VALUES

3. In paragraph 12 of Schedule 1A to the Pensions Order—

(a) in sub-paragraph (2), in the definition of "the relevant date", after "means" insert ", subject to regulations under sub-paragraph (2C),"; and

(b) after sub-paragraph (2B) insert the following sub-paragraph—

"(2C) Regulations—

(a) may provide that a right at the relevant date to the cash equivalent of any part of the benefits specified in sub-paragraph (1) which but for regulations under the foregoing provisions of this paragraph a member would have on the termination

of his pensionable service in an employment to which a scheme applies shall, if his employment terminates at least one year before normal pension age, accrue to him on the date when it terminates and be valued accordingly; and

(b) may substitute, in relation to any case to which the regulations apply—

(i) a new definition of "the relevant date" for the definition in sub-paragraph (2), and

(ii) a new definition of "the last option date" for the definition in paragraph 15(2).".