

SCHEDULES

SCHEDULE 6

PENSION COMPENSATION PROVISIONS

Active members over normal pension age at assessment date

10.—(1) Compensation is payable in accordance with this paragraph where an active member of the scheme has, before the assessment date, attained normal pension age in respect of his rights under the admissible rules of the scheme to a lump sum (“the scheme lump sum”).

(2) The active member is entitled to compensation of an amount equal to 100% of the aggregate of—

- (a) the accrued amount, and
- (b) any increases to which the active member would have been entitled under the admissible rules (by virtue of the fact that the lump sum was not paid at normal pension age) had the active member ceased to be an active member immediately before the assessment date.

(3) The compensation is payable at the assessment date.

(4) Subject to sub-paragraphs (5) and (6), the accrued amount is—

$AR \times PE \times PS$

where—

AR is the active member’s annual accrual rate in respect of the scheme lump sum under the admissible rules,

PE is the active member’s annual pensionable earnings in respect of the scheme lump sum under the admissible rules, and

PS is the active member’s pensionable service in respect of the scheme lump sum, under the admissible rules, in years (including any fraction of a year).

(5) If the accrual rates or pensionable earnings differ in respect of different parts of the active member’s pensionable service relating to the scheme lump sum, an amount is calculated in accordance with the formula in sub-paragraph (4) in respect of each of those parts and the accrued amount is the aggregate of those amounts.

For this purpose the references in that sub-paragraph to the active member’s pensionable service, accrual rate and pensionable earnings are to be read as references to the part of his pensionable service in question and to his accrual rate and pensionable earnings in respect of that part.

(6) In any case where the Board is satisfied that it is not possible to identify one or more of the elements of the formula in sub-paragraph (4), the Board may, having regard to the admissible rules, determine how the accrued amount is to be calculated.

(7) This paragraph does not apply in relation to a lump sum to which a person is entitled by reason of commuting any part of a pension under the scheme.

(8) This paragraph is subject to—

Status: This is the original version (as it was originally made).

- (a) paragraph 20 (compensation in respect of scheme right to transfer payment or contribution refund), and
- (b) paragraph 30 (power of Department to change percentage rates by order).