

SCHEDULE 1

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;

“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 or an 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, 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;

(b) if the member has exercised one or more 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 Department 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 the 1971 Act 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 and—

- (a) the value of the 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.