

SCHEDULE 1

Payments for extra pension

PART 2

Payments for added pension

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.

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 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.

Status: This is the original version (as it was originally made).

- (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.