

## SCHEDULE 1

Regulation 10(1)

### CALCULATION OF REDUCTIONS TO TAKE ACCOUNT OF PENSION BENEFITS IN RESPECT OF FURTHER EMPLOYMENT

1.—(1) There shall be deducted from the amount of the annual allowance payable at the material date to the entitled officer an amount calculated in accordance with the formula:

$A \times B \times D \text{ or } E$  (whichever is the lesser)

(2) Where a lump sum has been paid in respect of the further employment, there shall be deducted from the annual allowance an additional amount calculated in accordance with the formula:

$A \times C \times D \text{ or } E$  (whichever is the lesser).

2. For the purposes of paragraph 1—

- (a) A is the period of the additional period of service expressed in years which overlaps the period of pensionable service on which was based the calculation of the benefit referred to in regulation 10(1), where the additional period of service is deemed to commence on the material date;
- (b) B is the fraction that was used in the calculation of the annual allowance referred to in regulation 4(2) for each year of the additional period of service;
- (c) C is the fraction that was used in calculating the lump sum referred to in regulation 4(3);
- (d) D is the entitled officer's remuneration at the material date in respect of which the compensation payable under regulation 4 was calculated; and
- (e) E is the entitled officer's remuneration in respect of the further employment by reference to which the benefit referred to in regulation 10(1) was calculated, less an amount calculated in accordance with paragraph 3.

3.—(1) The amount of the deduction from the remuneration in respect of the further employment referred to in paragraph 2(e) shall be calculated by multiplying the amount of that remuneration by a fraction of which—

- (a) the numerator is equivalent to the aggregate of the amount of increases which would have been provided for under the provisions of section 59 of the Social Security Pensions Act 1975(1) (increase of official pensions) during the period beginning on the material date and ending on the day the further employment terminated, on an official pension of £100 per year which commenced from the material date; and
- (b) the denominator is equivalent to the aggregate of an official pension of £100 per year and the amount of the increases so determined.

(2) For the purposes of this paragraph “official pension” shall have the meaning assigned to it by section 5(1) of the Pensions (Increase) Act 1971(2) (scope of Act, and general powers to extend and adapt increases).

4. The deduction in accordance with paragraph 1 shall be made in such instalments over such a period of time as the Scottish Ministers may allow.

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(1) 1975 c. 60. Section 59 was amended by section 11(1), (2) and (3) of, and paragraph 20 of Schedule 3 to, the Social Security Act 1979 (c. 18), paragraph 33 of Schedule 5, and Schedule 6 to the Social Security Act 1985 (c. 53), section 9(8) of the Social Security Act 1986 (c. 50), sections 1(7) and 5(1) and (2) of the Pensions (Miscellaneous Provisions) Act 1990 (c. 7), paragraph 34 of Schedule 2 to the Social Security (Consequential Provisions) Act 1992 (c. 6), and paragraph 9(1)(a) and (b) of Schedule 8 to the Pension Schemes Act 1993 (c. 48).

(2) 1971 c. 56. Section 5(1) was amended by paragraph 85 of Schedule 6 to the Superannuation Act 1972 (c. 11).

**Status:** *This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

5. In this Schedule, “further employment” means the further employment referred to in regulation 10(1).