

SCHEDULE 7

INCOMPLETE PAYMENT OF ADDITIONAL CONTRIBUTIONS

1.—(1) This paragraph applies where a teacher paying additional contributions for a past period in accordance with Part I of Schedule 4—

- (a) ceases to be in pensionable employment before the end of the period during which they were to be paid (“the contribution period”); and
- (b) does not again enter such employment within one month and before becoming entitled to payment of retirement benefits,

and no lump sum payment is made under paragraph 6, 7 or 9 of Schedule 4.

(2) In this paragraph, subject to sub paragraphs (5) and (7), A is the past period and B is the contribution period.

(3) Subject to sub paragraphs (4), (5) and (7), the teacher is entitled to count as reckonable service—

$$A \times \frac{C}{B}$$

where

C is the period which the teacher is entitled to count as reckonable service (calculated, as appropriate, in accordance with the formula in regulation D1(3)) which arises from the additional contributions paid during so much of the contribution period as had elapsed when the pensionable employment ended.

(4) Subject to sub paragraphs (5) and (7), if when the pensionable employment ended the teacher was incapacitated and had not attained the age of 60, he or she is entitled to count as reckonable service—

- (a) where the contribution period would not have expired before he or she attained that age—

$$A \times \frac{D}{B}$$

where

D is the period from the start of the contribution period to his or her 60th birthday; or

- (b) in any other case, A.

(5) Subject to sub paragraph (7), if the teacher had made one election under paragraph 4 of Schedule 4 to shorten the contribution period—

- (a) he or she is in any case entitled to count as reckonable service—

$$A \times \frac{F}{E}$$

where

E is the original contribution period; and F is so much of it as had elapsed by the effective date of the election; and

- (b) sub paragraphs (3) and (4) have effect with the substitution—

- (i) as A, of

$$A - \frac{(A \times F)}{E};$$

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- (ii) as B, of the shortened contribution period from the effective date of the election;
- (iii) as C, of the period which the person is entitled to count as reckonable service (calculated, as appropriate, in accordance with the formula in regulation D1(3)) which arises from the additional contributions paid during the shortened contribution period from the effective date of the election as had elapsed when the pensionable employment ended; and
- (iv) as D, of the period from the effective date of the election to his or her 60th birthday.

(6) If the teacher had made two or more elections under paragraph 4 of Schedule 4 to shorten the contribution period, calculations relating to the amount of reckonable service he or she is entitled to count shall be made on an actuarial basis.

(7) If the teacher had made an election under paragraph 5 of Schedule 4 to reduce the rate at which the additional contributions are payable, calculations relating to the amount of reckonable service he or she is entitled to count shall be made on an actuarial basis.