

SCHEDULES

SCHEDULE 9

DEFERRAL OF RETIREMENT PENSIONS AND SHARED ADDITIONAL PENSIONS

PART 1

PRINCIPAL AMENDMENTS OF CONTRIBUTIONS AND BENEFITS ACT

3. Before paragraph 1 insert—

“Choice between increase of pension and lump sum where pensioner’s entitlement is deferred

A1.—(1) Where a person’s entitlement to a Category A or Category B retirement pension is deferred and the period of deferment is at least 12 months, the person shall, on claiming his pension or within a prescribed period after claiming it, elect in the prescribed manner either—

- (a) that paragraph 1 (entitlement to increase of pension) is to apply in relation to the period of deferment, or
- (b) that paragraph 3A (entitlement to lump sum) is to apply in relation to the period of deferment.

(2) If no election under sub-paragraph (1) is made within the period prescribed under that sub-paragraph, the person is to be treated as having made an election under sub-paragraph (1)(b).

(3) Regulations—

- (a) may enable a person who has made an election under sub-paragraph (1) (including one that the person is treated by sub-paragraph (2) as having made) to change the election within a prescribed period and in a prescribed manner, if prescribed conditions are satisfied, and
- (b) if they enable a person to make an election under sub-paragraph (1)(b) in respect of a period of deferment after receiving any increase of pension under paragraph 1 by reference to that period, may for the purpose of avoiding duplication of payment—
 - (i) enable an amount determined in accordance with the regulations to be recovered from the person in a prescribed manner and within a prescribed period, or
 - (ii) provide for an amount determined in accordance with the regulations to be treated as having been paid on account of the amount to which the person is entitled under paragraph 3A.

(4) Where the Category A or Category B retirement pension includes any increase under paragraphs 5 to 6, no election under sub-paragraph (1) applies to so much of the pension as consists of that increase (an entitlement to an increase of pension in respect of such an

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increase after a period of deferment being conferred either by paragraphs 1 and 2 or by paragraph 2A).”.