

SCHEDULES

SCHEDULE 16

REQUIREMENTS AS TO PRESERVATION OF BENEFIT UNDER OCCUPATIONAL PENSION SCHEMES

PART I

Interpretation

- 1 The following 4 paragraphs have effect for the interpretation of this Schedule.
- 2 " Scheme" means an occupational pension scheme; and in relation to a scheme—
- (a) " relevant employment" means any employment to which the scheme applies ;
 - (b) " long service benefit" means the benefits which will be payable under the scheme, in accordance with legal obligation, to or in respect of a member of the scheme on the assumption that he remains in relevant employment until he attains normal pension age ;
- and in paragraph (b) above " benefits " means retirement benefit for the member himself at normal pension age or benefit for his wife or widow, or dependants, or others, on his attaining that age or his death thereafter, or both such descriptions of benefit.
- 3 (1) " Pensionable service ", in relation to a scheme and a member of it, means service in relevant employment which qualifies the member (on the assumption that it continues for the appropriate period) for long service benefit under the scheme, including service before the appointed day.
- (2) There shall be taken into account as pensionable service only actual service; that is to say—
- (a) service notionally attributable for any purposes of the scheme is not to be regarded as pensionable service ; and
 - (b) no account is to be taken of scheme rules by which a period of service can be treated for any purpose as being longer or shorter than it actually is.
- 4 (1) In relation to a scheme and a member's pensionable service under it, " normal pension age " is to be construed as follows.
- (2) Where the scheme provides for the member only minimum benefits for recognition purposes, " normal pension age" means the earliest age at which the member is entitled to receive his minimum personal pension on retirement from relevant employment.
- (3) In any other case, " normal pension age " means the earliest age at which the member is entitled to receive benefits (other than minimum benefits) on his retirement from such employment.

- (4) For the purposes of this paragraph there is to be disregarded any scheme rule making special provision as to early retirement on grounds of ill-health or otherwise.
- 5 (1) " Supplementary credits ", in relation to a scheme and a member's entitlement to its benefits, means any increase of benefit or additional benefit to which the member may become entitled—
- (a) in consequence of any provision made by or under the scheme after he becomes a member of it (to the extent that it applies to any previous pensionable service of his); or
 - (b) by reference to previous service of his (whether or not pensionable service); or
 - (c) in such other circumstances as may be prescribed, including under paragraph (b) above any transfer credits.
- (2) " Purchased credits " means supplementary credits for which, under the rules of the scheme, a member may or must make payment in whole or in part (whether by means of additional contributions, or of deduction from benefit, or otherwise, and whether separately for each credit or by one or more payments for one or more credits).
- (3) " Bonus credits " means supplementary credits other than purchased credits or transfer credits.