

SCHEDULES

SCHEDULE 4

OCCUPATIONAL AND PERSONAL PENSION SCHEMES

PART II

MISCELLANEOUS AMENDMENTS

Protection of earner's and widow's pensions

- 8 (1) Sections 41A and 41B of the Pensions Act (protection of earner's and widow's pension) shall have effect, and be taken at all times on and after 21st July 1989 to have had effect, with the amendments made by sub-paragraphs (2) to (7) below, which are in substitution for the amendments made by paragraphs 6 and 7 of Schedule 6 to the 1989 Act; and those paragraphs shall be taken never to have come into force.
- (2) In section 41A of the Pensions Act, in subsection (1C) (which defines the "relevant aggregate") after paragraph (c) there shall be added the words "and
- (d) where the scheme provides that part of the earner's pension shall accrue after the termination of employment date by reason of employment after that date, the later earnings addition."
- (3) After subsection (2) of that section there shall be inserted—
- "(2A) In this section "the later earnings addition" means the amount (if any) by which $(R2 - G2)$ exceeds $(R1 - G1)$, where—
- R1 is the relevant sum;
- G1 is the earner's guaranteed minimum on the day after his termination of employment date;
- R2 is the amount that would have been the relevant sum, had the weekly rate of the benefit which determines that sum been calculated by reference to the earner's later earnings level; and
- G2 is that amount which bears to R2 the proportion which G1 bears to R1.
- (2B) For the purposes of subsection (2A) above, the earner's "later earnings level" is the level of earnings by reference to which the weekly rate of the benefit which determines the relevant sum would have been calculated, had the termination of employment date fallen on the earlier of—
- (a) the commencement of payment date, or
- (b) the date on which the earner ceased to be in pensionable service under the scheme."

Status: This is the original version (as it was originally enacted).

- (4) In subsection (11) of that section (definitions) for the words “ “short service benefit” is” there shall be substituted the words “ “pensionable service” and “short service benefit” are
- (5) In section 41B of the Pensions Act, in subsection (1A) (which defines the “relevant aggregate”) after paragraph (c) there shall be added the words “and
- (d) where the scheme provides that part of the widow’s pension shall accrue after the termination of employment date by reason of the earner’s employment after that date, the later earnings addition.”
- (6) After subsection (3) of that section there shall be inserted—
- “(3A) In this section “the later earnings addition” means the amount (if any) by which $(R2 - G2)$ exceeds $(R1 - G1)$, where—
- R1 is the relevant sum;
- G1 is one half of the earner’s guaranteed minimum on the day after his termination of employment date;
- R2 is the amount that would have been the relevant sum, had the weekly rate of the pension which determines that sum been calculated by reference to the earner’s later earnings level; and
- G2 is that amount which bears to R2 the proportion which G1 bears to R1.
- (3B) For the purposes of subsection (3A) above, the earner’s “later earnings level” is the level of earnings by reference to which the weekly rate of the pension which determines the relevant sum would have been calculated, had the earner’s termination of employment date fallen on the earlier of—
- (a) the earner’s commencement of payment date, or
- (b) the date on which the earner ceased to be in pensionable service under the scheme.”
- (7) After subsection (5) of that section, there shall be added—
- “(6) In this section “pensionable service” shall be construed in accordance with Schedule 16 to the Social Security Act 1973.”
- (8) In section 41A of that Act, in subsection (1), for the words “relevant date” there shall be substituted the words “commencement of payment date” and subsections (1A) and (1B) shall cease to have effect.
- (9) In consequence of this paragraph, regulation 2(1) and (2) of the Occupational Pension Schemes (Transitional Provisions and Savings) Regulations 1989 shall be deemed never to have been made.
- (10) If, before 21st July 1989, an earner ceased to be in contracted-out employment by reference to an occupational pension scheme other than a money purchase contracted-out scheme, sections 41A and 41B of the Pensions Act shall apply in relation to the earner and the earner’s widow or widower as if neither this paragraph nor paragraphs 6 and 7 of Schedule 6 to the 1989 Act had been enacted.
- (11) Expressions used in sub-paragraph (10) above and the Pensions Act have the same meaning in that sub-paragraph as they have in that Act.