

*These notes refer to the Pensions Act 2008 (c.30)
which received Royal Assent on 26 November 2008*

PENSIONS ACT 2008

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Schedule 5: Pension compensation payable on discharge of pension compensation credit

Part 2: Transferee attains pension compensation age before or on transfer day

301. Where the transferee is, at the point the pension compensation order takes effect, over the pension compensation age they will receive periodic compensation for life (*paragraph 4*). This compensation starts from the transfer day, and comprises the initial annual rate of the compensation plus any annual increases due to inflation under *paragraph 12*. It is subject to any regulations applying the compensation cap made under *paragraph 18*.
302. *Paragraph 5* provides that 50% of the pension compensation in payment, or payable, will be paid to the transferee's surviving partner (widow, widower or surviving civil partner) after the death of the transferee. Regulations may set out when the surviving partner will not be entitled to compensation. This will allow provision to be made for cases where the scheme rules under which the transferor's compensation is calculated did not provide for pensions to a surviving partner.