

SCHEDULES

SCHEDULE 29

FURTHER PROVISION ABOUT PENSION SCHEMES

Benefit crystallisation event 3

- 10 In paragraph 13 (benefit crystallisation event 3: meaning of XP), for sub-paragraph (2) substitute—
- “(2) But if one or more benefit crystallisation events has or have previously occurred by reason of the individual having become entitled to payment of the pension at an increased rate, XP does not include the amount of XP on that event or the aggregate of the amounts of XP on those events.
- (2A) For the purposes of sub-paragraph (2), the amount of XP on a previous benefit crystallisation event is to be increased by whichever of calculation A and calculation B gives the greater amount.
- (2B) Calculation A involves increasing the amount of XP on the previous event at the relevant annual percentage rate for the whole of the period—
- (a) beginning with the month in which the previous event occurred, and
- (b) ending with the month in which the individual becomes entitled to payment of the pension at the increased rate.
- (2C) The relevant annual percentage rate has the same meaning as in paragraph 11(4).
- (2D) Calculation B involves increasing the amount of XP on the previous event by the relevant indexation percentage.
- (2E) The relevant indexation percentage is—
- (a) if the retail prices index for the reference month is higher than the retail prices index for the base month, the percentage increase in the retail prices index, and
- (b) if it is not, 0%.
- (2F) The scheme administrator may select as the reference month any month in the period of 12 months ending with the month in which the individual becomes entitled to payment of the pension at the increased rate.
- (2G) The base month is the month which is the same number of months before the month in which the previous event occurred, as the reference month is before the month in which the individual becomes entitled to payment of the pension at the increased rate.”