

## SCHEDULE 7

Article 27

### PURCHASE OF ADDED YEARS

#### **Interpretation**

1. For the purpose of this Schedule:—

“periodical contributions” means the sums payable by a participant whose application to purchase added years otherwise than by a single payment has been accepted by the Managers;

“single mandate Representative” means a participant to whom section 1(2)(b) of the 1979 Act does not apply.

#### **Purchase of added years by periodical contributions**

2.—(1) A participant may apply in writing to the Managers to purchase added years by periodical contributions payable until he attains the age of sixty-five years and the Managers shall accept his application if all the following conditions in respect of that application are satisfied:—

- (a) the participant will not at his next birthday after the date of the application have attained the age of sixty-five;
- (b) the participant has satisfied the Managers, in whatever manner the Managers shall require, that he is in good health;
- (c) the number of added years which the participant has applied to purchase does not exceed the maximum permitted by paragraph 8;
- (d) the participant has supplied to the Managers such information and evidence as they may require and has indicated whether his application is made under the provisions of this sub-paragraph or sub-paragraph (2) below; and
- (e) the participant is, at the date when the Managers receive the application, a single mandate Representative.

(2) A participant may, within the period of twelve months immediately following the date when he commenced a period of service as a single mandate Representative, or within such longer period as the managers may in special circumstances and at their discretion allow, apply in writing to the Managers to purchase added years by the payment of periodical contributions for a period of either four or five years and the Managers shall accept his application if, at the date when the Managers receive the application, the participant has not reached the age of sixty-five years and if the conditions of sub-paragraph (1)(b), (c), (d), and (e) above are satisfied in respect of that application.

#### **Applications to be irrevocable**

3. An application by a participant to purchase added years shall be irrevocable on and from the date when the Managers accept his application.

#### **Payment of periodical contributions**

4. Where an application by a participant to purchase added years by periodical contributions is accepted by the Managers:—

- (a) contributions shall, subject to the provisions of paragraph 5, be payable to the Treasury:—
  - (i) in the case of an application under paragraph 2(1), from the date of the participant’s birthday next following the receipt by the Managers of his application and until the participant attains the age of sixty-five years; and

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- (ii) in the case of an application under paragraph 2(2), for whichever of the periods of four or five years the participant has chosen for the payment of periodical contributions, beginning on such date not later than two months from the date of acceptance of the application as the Managers shall specify by notice in writing to the participant;
- (b) contributions by a participant shall be payable by deductions from his salary or, in the case of arrears, in such manner as the Treasury shall require; and
- (c) the contributions payable by a participant for the added years shall be calculated in accordance with tables prepared from time to time by the Government Actuary.

**Interrupted service**

5.—(1) If a participant dies or ceases to be a Representative because of ill-health in circumstances to which paragraphs (1), (2), (3) or (6) of article 11 apply and he:—

- (a) has applied to purchase added years by periodical contributions; and
- (b) has been notified in writing by the Managers that his application has been accepted,

no further contributions will be payable from the day following the date of his death or from the date he ceases to be a Representative, as the case may be, and any added years that he has applied to purchase by periodical contributions shall be credited in full as reckonable service.

(2) If a participant who has applied to purchase added years by periodical contributions and whose application has been accepted by the Managers ceases to be a Representative in circumstances to which paragraphs (1), (2), (3) or (6) of article 11 do not apply, or if a participant ceases to be a single mandate Representative, no contributions will be payable by him from the day following the date when he so ceases, but his reckonable service as a single mandate Representative will be increased in respect of each application by

$$\frac{A \times B}{C}$$

where:

- A is the number of added years he applied to purchase by periodical contributions;
- B is the period (expressed to the nearest day) during which periodical contributions have been paid;
- C is the total period during which periodical contributions would have been payable in accordance with paragraph 4(a).

(3) If a former participant or participant to whom sub-paragraph (2) of this paragraph has applied subsequently commences a further period of service as a single mandate Representative before he has attained the age of sixty-five years, in circumstances in which the periods together constitute an aggregate period of reckonable service as a single mandate Representative, then subject to sub-paragraphs (4) and (6) of this paragraph, he may give notice to the Managers in writing within the period of three months beginning with the date upon which he commenced the further period of service that he intends to resume payment of his periodical contributions in respect of the added years for which he was making periodical contributions in his immediately preceding period of service and such contributions shall then be payable from the date when he commenced the further period of service, and shall continue until he attains the age of sixty-five years at the rate or rates applicable during the immediately preceding period.

(4) Where a former participant or participant who ceased for a period to pay periodical contributions by reason only of his ceasing to serve as a Representative or as a single mandate Representative, but subsequently became a single mandate Representative again and resumed the purchase of added years by periodical contributions in accordance with sub-paragraph (3) below

thereafter becomes entitled to a pension under article 7, his reckonable service as a single mandate Representative shall be increased in accordance with sub-paragraph (2) above except that C shall be read as the total period during which he would have paid contributions for those added years if his service as a single mandate Representative had been continuous.

(5) If a former participant or participant to whom sub-paragraph (2) above has applied, subsequently commences a further period of service as a single mandate Representative before he has attained the age of sixty-five years, in circumstances in which the periods together constitute an aggregate period of reckonable service, then subject to sub-paragraphs (4) and (6) below, he may, if, in consequence of his break in service as a single mandate Representative there has been a reduction in the number of added years which he is able to purchase in full, with the agreement of the Managers, and subject to the provisions of paragraph 8(1), apply to purchase some or all of the number of added years comprised in that reduction at the rate applicable to the participant's birthday next following the receipt by the Managers of his application.

(6) Sub-paragraphs (3), (4) and (5) of this paragraph shall not apply where the application to purchase added years before the participant ceased to be a Representative or a single mandate Representative was made under paragraph 2(2).

#### **Purchase of added years by lump sum**

6.—(1) Subject to the provisions of sub-paragraph (2), below, a participant may apply in writing to the Managers to purchase added years by a lump sum payment.

(2) The Managers shall accept an application to purchase added years under this paragraph if all the following conditions in respect of that application are satisfied:—

- (a) the participant has not reached the age of sixty-five years;
- (b) the participant applies to the Managers within the period of twelve months immediately following the date when he commenced a period of service as a single mandate Representative or within such longer period as the Managers may in special circumstances and at their discretion allow;
- (c) the participant has not applied to the Managers under the provisions of article 11 for an early pension because of ill-health;
- (d) the number of added years which the participant applies to purchase does not exceed the maximum permitted by paragraph 8;
- (e) the participant has supplied to the Managers such information and evidence as they may require; and
- (f) the participant is, at the date when the Managers receive the application, a single mandate Representative.

(3) A participant who has applied to purchase added years under the provisions of paragraph 2(2) and to whom paragraph 5(2) applies may, in respect of any such application, if:—

- (a) in consequence of his ceasing to be a Representative or a single mandate Representative there has been a reduction in the number of added years which he is able to purchase in full,
- (b) the conditions of sub-paragraphs 2(c), (d) and (e) above are satisfied in respect of the application made under paragraph 2(2), and
- (c) the application under this sub-paragraph is made within three months of his ceasing to be a Representative or a single mandate Representative,

apply in writing to the Managers to purchase by a lump sum payment some or all of the number of added years comprised in that reduction at the rate applicable at the Representative's birthday next following the receipt by the Managers of the application.

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### **Lump sum payments**

7.—(1) Any participant who has applied to the Managers to purchase added years by a lump sum payment shall, within the period of six months commencing on the date when his application is accepted by the Managers make the lump sum payment to the Treasury which shall be calculated by the Managers by reference to a Member's pensionable salary at the time when his application was received by the Managers and in accordance with tables to be prepared from time to time by the Government Actuary and the amount of his reckonable service as a single mandate Representative shall be increased accordingly with effect from the date that the lump sum payment is received by the Treasury.

(2) If, after an application to purchase added years by lump sum payment has been made by a participant and accepted by the Managers, the payment is not received by the Treasury within the period of six months commencing on the date when his application is accepted by the Managers, the application to purchase shall cease to be valid.

### **Limits on purchase of added years**

8.—(1) Subject to sub-paragraphs (2) to (4) below the annual amount of a participant's periodical contributions when aggregated with the annual amount of the participant's contributions under article 5, and any other additional voluntary contributions shall not in any tax year exceed 15 per cent of the annual amount of a Member's pensionable salary for the time being or, if he joined the scheme on or after 1st June 1989 and that salary exceeds the permitted maximum, 15 per cent of the permitted maximum.

(2) Sub-paragraph (1) shall not apply to the purchase of added years by periodical contributions payable for a period of four years in accordance with paragraph 2(2) and 4(a)(ii) and for the purpose of the calculation referred to in sub-paragraph (1) above such contributions shall be disregarded.

(3) Subject to sub-paragraph (4) below, sub-paragraph (1) above shall not apply to a Representative's periodical contributions which on 31st July 1984 were payable in accordance with paragraph 4(a)(i).

(4) If after 31st July 1984 a participant has applied or applies to the Managers to purchase added years by periodical contributions, the annual amount of periodical contributions payable by him in accordance with paragraph 4(a)(i), or for period of five years in accordance with paragraphs 2(2) and 4(a)(ii), shall not be such as to exceed, at any time during the period such contributions would be so payable, the amount (if any) by which for the time being:

(a) the annual amount of his periodical contributions referred to in paragraph (3) (if any) aggregated with the annual amount of his contributions under article 5,

is less than—

(b) the limit under sub-paragraph (1) above.

(5) Subject to sub-paragraph (1) above, the maximum added years that a participant may purchase both by lump sum payment and by periodical contributions shall be calculated so that his pension under article 7 when aggregated with the pension equivalent of any lump sum under article 8 and any pension under any additional voluntary contributions scheme shall not exceed whichever may be appropriate of the limits set out in Schedule 2.

### **Further applications to purchase added years**

9. Subject to the provisions of this Order, the Managers may accept more than one application from a participant to purchase added years by the payment of periodical contributions or lump sum payments.