STATUTORY INSTRUMENTS

1995 No. 739

EUROPEAN PARLIAMENT

The European Parliamentary (United Kingdom Representatives) Pensions (Additional Voluntary Contributions Scheme) (No. 2) Order 1995

Made - - - -	*14th March 1995*
Laid before Parliament	*14th March 1995*
Coming into force - -	*4th April 1995*

The Secretary of State, in exercise of the powers conferred on him by section 4(1), (2) and (3) of the European Parliament (Pay and Pensions) Act 1979(**1**) hereby makes the following Order:

Title and Commencement

1.—(1) This Order may be cited as the European Parliamentary (United Kingdom Representatives) Pensions (Additional Voluntary Contributions Scheme) (No. 2) Order 1995 and shall come into force on 4th April 1995.

(2) The European Parliamentary (United Kingdom Representatives) Pensions (Additional Voluntary Contributions Scheme) Order 1995(**2**) is hereby revoked.

Interpretation

2.—(1) In this Order—

"the Pensions Act 1993" means the Pension Schemes Act 1993(**3**);

"the Taxes Act 1988" means the Income and Corporation Taxes Act 1988(**4**);

"the 1993 Regulations" means the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Additional Voluntary Contributions) Regulations 1993(**5**);

(**1**) 1979 c. 50. Section 3 of the European Communities (Amendment) Act 1986 (c. 58) substituted references to the European Parliament for references to the Assembly of the European Communities in Acts and other instruments.
(**2**) S.I. 1995/720.
(**3**) 1993 c. 48.
(**4**) 1988 c. 1.
(**5**) S.I. 1993/3016.

"the principal Order" means the European Parliamentary (United Kingdom Representatives) Pensions (Consolidation and Amendment) Order 1994(**6**);

"approved scheme" means a retirement benefits scheme approved under Chapter I, Part XIV of the Taxes Act 1988;

"the AVC scheme" means the European Parliamentary (United Kingdom Representatives) Pensions Additional Voluntary Contributions Scheme set out in this Order;

"Class A contributor" means any contributor who joined the principal scheme on or after 1st June 1989 or any Class B contributor who has elected to become a Class A contributor(**7**);

"Class B contributor" means any contributor who joined the principal scheme on or after 17th March 1987 and before 1st June 1989 and has not elected to become a Class A contributor;

"Class C contributor" means any contributor who joined the principal scheme before 17th March 1987;

"contribution", except in article 5(3), includes a transfer value;

"contributor" means a person admitted to participation in the AVC scheme in accordance with article 4(1);

"death in service benefits" are benefits payable in respect of a contributor who dies in service;

"dependant" of a contributor means the contributor's spouse, and any relevant child or children of the contributor as defined by article 14(5) of and Schedule 5 to the principal Order;

"final remuneration" is defined in Schedule 1;

"FSAVC scheme" means an additional voluntary contribution scheme which is an approved scheme to which an employer does not contribute;

"index" at any time, means the index of retail prices published in the Central Statistical Office of the Chancellor of the Exchequer, or any successor agreed as appropriate by the Board of Inland Revenue, for the calendar month three months prior to that time;

"maximum pension" has the meaning assigned to it by article 11 and Schedule 2;

"permitted maximum" for any tax year means the figure specified for that tax year in an order made under section 590C of the Taxes Act 1988(**8**);

"personal pension scheme" means a scheme approved under Chapter IV Part XIV of the Taxes Act 1988;

"the principal scheme" means the scheme set out in the principal Order;

"retained benefits" means benefits for a contributor derived from—

(a) a retirement benefits scheme approved or seeking approval under Chapter I Part XIV of the Taxes Act 1988;

a relevant statutory scheme as defined in section 611A of the Taxes Act 1988(**9**);

(b) a fund to which section 608 of the Taxes Act 1988 applies;

(c) a retirement benefits scheme which has been accepted by the Board of Inland Revenue as "corresponding" for the purposes of section 596(2)(b)(**10**) of the Taxes Act 1988;

(d) (i) a retirement annuity contract or trust scheme approved under section 620 of the Taxes Act 1988; or

(**6**) S.I. 1994/1662.
(**7**) By virtue of paragraph 29 of Schedule 6 to the Finance Act 1989, a person who became a member of a scheme on or after 17th March 1987 and before 1st June 1989 may give notice to the administrators of the scheme that he wishes to be deemed to have become a member of the scheme on 1st June 1989.
(**8**) Section 590C was inserted into the Taxes Act 1988 by the Finance Act 1989 (c. 26), Schedule 6, paragraphs 4 and 18(2).
(**9**) Section 611A was inserted by the Finance Act 1989 (c. 26), paragraphs 15 and 18(1).
(**10**) Section 596(2) was amended by the Finance Act 1989 (c. 26) Schedule 6, paragraphs 8(1), (3) and 18(5).

(ii) a personal pension scheme (other than an arrangement to which only minimum contributions are paid)

which relates to relevant earnings from the current employment, or previous employment (including a period of self employment whether alone or in partnership);

(e) a transfer payment from an overseas scheme held in a type of arrangement defined in (a) or (d) above;

including such benefits which have been transferred to another scheme, whether or not in the United Kingdom, but excluding such benefits which relate to service with an unassociated employer which is concurrent with service and, in the case of benefits listed in sub-paragraphs (a), (b), (c) and (e) above, excluding benefits in respect of service;

provided that:

(i) if the total of the retained benefits is less than a pension of £260 those retained benefits may be disregarded; and

(ii) if the contributor's earnings in the 12 months after entry to the principal scheme do not exceed one quarter of the permitted maximum, benefits from those sources, other than those transferred into the principal scheme, shall not be classed as retained benefits;

"retained death benefits" shall mean any lump sum benefits payable on the contributor's death derived from the sources set out in the definition of retained benefits above, but if the total of retained death benefit is less than £2,500 it may be disregarded; provided that benefits representing a return of the contributor's own contributions plus interest thereon and benefit derived from a return of funds under retirement annuity contracts approved under section 620 of the Taxes Act 1988 or personal pension schemes may be ignored for this purpose;

"retirement benefits" are benefits payable to or in respect of a contributor at or after his retirement;

"retirement benefits scheme" means a scheme within the meaning of section 611 of the Taxes Act 1988;

"the Managers" are the Managers for the time being appointed under article 3(1) of the principal Order;

and other expressions shall have the same meaning as in the principal Order.

(2) In this Order, except where the context otherwise requires:

(a) a reference to a numbered article or Schedule is a reference to the article of, or the Schedule to, this Order so numbered; and

(b) a reference in an article or Schedule to a numbered paragraph is a reference to the paragraph of that article or Schedule so numbered.

Managers and administration

3.—(1) The provisions of Schedule 1 to the principal Order shall have effect for the purposes of the AVC scheme.

(2) This Order sets out arrangements for an AVC scheme whereby participants in the principal scheme may, subject to the approval of the Managers, make contributions for the purpose of securing benefits additional to those which would otherwise be payable to or in respect of such participants pursuant to the principal Order.

(3) Benefits under AVC scheme shall be paid by the Treasury in accordance with the provisions of this Order.

(4) The Secretary of State shall appoint one or more than one financial institution to receive contributions and to pay benefits under the AVC scheme.

(5) The Managers shall be responsible for the discharge of all the duties imposed on the administrator of an AVC scheme under Chapter I of Part XIV of the Taxes Act 1988.

Membership and closing the scheme to new members

4.—(1) Subject to the provisions of this article, any participant in the principal scheme may become a contributor to the AVC scheme by making written application in such form as the Managers shall require and by having such application accepted.

(2) A contributor may not make any contributions to the AVC scheme after he has ceased to be a participant in the principal scheme, but may make a further application under paragraph (1) if he again becomes a participant.

(3) The Managers may with effect from such date as they may determine close the AVC scheme to participants in the principal scheme who are not contributors to the AVC scheme at that date.

Contributions

5.—(1) Subject to paragraph (3) below, a contributor may make contributions to the AVC scheme of such amount, at such times and in such manner as may be authorised by the Managers, with the approval of the institution with which the contributions are to be invested.

(2) At such times and in such manner as may be specified by the Managers, the contributor may select—

(a) whether his contributions are to be paid in respect of death in service benefits or retirement benefits or both and, if both, how they are to be apportioned; and

(b) if the Secretary of State has appointed more than one financial institution under article 3(4), the institution to which his contributions are to be paid.

(3) A contributor's contributions to the AVC scheme in any tax year must not exceed whichever is the smaller of—

(a) (i) in the case of a single contribution (if permitted by the Managers), such amount determined by the Managers on a basis acceptable to the Board of Inland Revenue which, if the contributor were to leave service immediately after payment, is likely to provide benefits equal to the limits set out in article 11; or

(ii) in the case of an annual contribution, such amount determined by the Managers on a basis acceptable to the Board of Inland Revenue which, if maintained at that level until the contributor's normal retirement date, is likely to provide benefits equal to the limits set out in article 11; and

(b) that percentage of the contributor's total salary which, together with any contributions made by the contributor to any other schemes providing benefits in respect of service, will bring the total of contributions to 15 per cent of that salary, or, in the case of a Class A contributor, where his annual salary exceeds the permitted maximum, to 15 per cent of that permitted maximum.

(4) In sub-paragraph 3(b) above, a contributor's total salary means a Member's pensionable salary.

(5) A transfer value to the AVC scheme shall only be accepted by the Managers if it is from either—

(a) a FSAVC scheme, which is not an appropriate personal pension scheme which satisfies the requirements laid down in and prescribed under section 9(5) and sections 26 to 32 of the Pensions Act 1993; or

(b) an additional voluntary contributions scheme which is an approved scheme, provided that, in either case—

(i) it is certified by the administrator of that scheme to represent only the realisable value of the contributor's own contributions to that scheme; and

(ii) acceptance will not cause the contributor's benefits to exceed the limits set out in article 11.

Investment of contributions

6.—(1) Where a contributor has specified that all or any of his contributions are to be invested to provide retirement benefits, the Managers shall, as soon as practicable and subject to article 5(2)(b), direct the institution appointed under article 3(4) to invest those contributions in the type of investment chosen by the contributor.

(2) Without prejudice to the generality of (1) above, the contributor's contributions may be invested—

(a) in an insurance policy or policies taken out with an insurance company, being either—

(i) a United Kingdom office or branch of an insurance company to which Part II of the Insurance Companies Act 1982(**11**) applies and which is authorised under section 3 or 4 of that Act to carry on ordinary long-term insurance business; or

(ii) an EC company as defined by section 2(6) of the Insurance Companies Act 1982(**12**) which is lawfully carrying on ordinary long-term insurance business in the United Kingdom; or

(b) in a deposit account or accounts with a building society authorised by virtue of Part II of the Building Societies Act 1986(**13**).

(3) The investments made in respect of a contributor with an institution may be realised and reinvested at the request of the contributor with that or any other institution appointed under article 3(4), in such amounts, at such times and in such manner as may be specified by the Managers, with the approval of the institutions concerned.

Benefits which may be provided

7.—(1) Subject to the limits set out in article 11, a contributor shall be entitled to whatever benefits are secured by the contributions paid by him.

(2) Permitted death in service benefits are—

(a) a lump sum;

(b) a return of the contributor's contributions in respect of retirement benefits to the extent of the total realisable value of the investments made with the contributions paid by the contributor;

(c) a pension payable to the contributor's spouse throughout the remainder of his or her lifetime.

(3) Permitted retirement benefits are—

(a) on the death of the contributor after retirement, a pension payable to one or more dependants throughout the remainder of their lifetime (save that, in the case of a child who is not incapable within the meaning of article 14(5)(c) of the principal Order, the pension shall only be payable until the child reaches the age of 17 or, if later, until the child ceases

(**11**) 1982 c. 50.
(**12**) Section 2(6) was added by the Insurance Companies (Third Insurance Directives) Regulations 1994 (S.I. 1994/1696).
(**13**) 1986 c. 60.

to be within his period of full-time education as defined by Schedule 5 to the principal Order); and

(b) a pension payable to the contributor throughout the remainder of his lifetime, under which—

(i) payments may be guaranteed to be payable for up to 10 years after retirement in any event; or

(ii) payments may be guaranteed to be payable for up to 5 years after retirement with any balance in respect of any period between death and the expiry of the period of 5 years being paid in one lump sum on death.

(4) Pensions may be level in payment, increase at a fixed rate, or vary in line with the index.

Payment of lump sums on death

8.—(1) Any lump sum payable on a contributor's death shall be paid or applied within 2 years of the contributor's death by the Managers to or for the benefit of any one or more of—

(a) any individual nominated by the contributor in writing;

(b) the contributor's dependants, children, parents, grandparents and descendants of such persons; and

(c) the contributor's personal representative.

(2) The decision as to which individual or individuals should receive part or all of the lump sum and how much each shall receive shall be at the absolute discretion of the Managers.

(3) Any part of the lump sum which has not been so paid or applied within 2 years of the contributor's death shall be paid to the contributor's personal representative.

(4) For the purposes of this article, a lump sum includes a refund of contributions.

Purchase of pensions on retirement

9.—(1) At or before the date of his retirement the contributor shall specify in writing to the Managers the retirement benefits to be purchased for or in respect of him.

(2) The Managers shall use the value of the contributor's accrued benefits to purchase the retirement benefits specified under paragraph (1) from the institution appointed by the Secretary of State under article 3(4), or, if more than one such institution has been appointed, from such institution as the contributor may in writing select, being either—

(a) a company which is a United Kingdom branch or office of an insurance company to which Part II of the Insurance Companies Act 1982 applies and which is authorised under section 3 or 4 of that Act to carry on ordinary long-term insurance business; or

(b) an EC company as defined by section 2(6) of the Insurance Companies Act 1982 which is lawfully carrying on ordinary long term insurance benefits in the United Kingdom; or

(c) a friendly society authorised to carry on business under Part IV of the Friendly Societies Act 1992(**14**).

Leaving the AVC scheme

10.—(1) At any time before any benefits under article 7 are paid, a contributor may cease to participate in the AVC scheme by requiring the Managers (in such manner as may, subject to Chapter IV of Part IV of the Pensions Act 1993, be specified by the Managers) to do one or more of the following as appropriate—

(**14**) 1992 c. 40.

(a) to transfer the value of the contributor's accrued benefits to an approved scheme of a subsequent employer, or to a personal pension scheme subject, in each case, to the scheme being willing to accept the transfer value and meeting the prescribed requirements referred to in section 95(2)(a) and (b) of the Pensions Act 1993 (and in each case the Managers shall certify to the receiving scheme that the whole of the transfer value represents the realisable value of the contributor's contributions and that all of it must be used to secure a non-commutable pension);

(b) to use the value of the contributor's accrued benefits to purchase one or more insurance policies of the type described in section 95(2)(c) of the Pensions Act 1993;

(c) if the contributor's service, including any service whilst a member of a previous employer's pension scheme from which a transfer value has been paid to the AVC scheme or the principal scheme, totals less than 2 years, to pay the contributor the value of his accrued benefits after deduction of any tax payable by the Managers.

(2) The value of a contributor's accrued benefits shall be the total realisable value of the investments made with the contributions paid by him.

Maximum benefits

11.—(1) The lump sum benefit (exclusive of any refund of the contributor's own contributions plus interest if any) payable under the AVC scheme on the death of a contributor while in service or (having left service with a deferred pension) before the commencement of the contributor's pension shall not, when aggregated with all like benefits under the principal scheme, personal pension schemes, FSAVC schemes and retained death benefits exceed whichever is appropriate of—

(a) 4 times final remuneration at the date of death; or

(b) 4 times final remuneration at the date of leaving service;

and any remuneration in excess of the permitted maximum shall be disregarded.

(2) A contributor's pension when aggregated with any pensions and the pension equivalent of any lump sums under the principal scheme and any pension under a FSAVC scheme in respect of service shall not exceed such maximum pension as is calculated in respect of that contributor in accordance with Schedule 2.

(3) Any pensions for dependants, when aggregated with any pension payable to dependants under the principal scheme or under a FSAVC scheme, shall not exceed an amount equal to two-thirds of the maximum pension—

(a) payable to the contributor at the date of the contributor's death (including any pension increases given under paragraph (4) below), or

(b) being a deferred benefit, payable to the contributor at normal retirement date, or

(c) prospectively payable to the contributor who dies in service had the contributor remained in service up to normal retirement date at the rate of pay in force immediately before the contributor's death, or

(d) prospectively payable to the contributor who dies in service after normal retirement date before taking any benefit under the principal scheme on the basis that the contributor had retired on the day before he died,

and, in whichever case applies, the maximum pension shall be calculated as if the contributor had no retained benefits.

(4) Where a contributor chooses as a benefit an index-linked pension, the maximum amount of the pension ascertained in accordance with paragraphs (2) or (3) above may be increased by up to 3 per cent for each complete year, or, if greater, in proportion to any increase in the index which has occurred since payment of the pension commenced.

Surplus monies

12. The Managers shall comply with the requirements of regulation 5 (restriction on discretion to approve—other schemes) of the 1993 Regulations and, where the AVC scheme is the leading scheme in relation to a contributor, with the requirements of regulation 6 (calculation of surplus funds) of those Regulations so far as they concern main schemes.

Surrender at the request of the Secretary of State

13.—(1) The Secretary of State may require an institution with which contributions have been invested under the AVC scheme to surrender the whole or part of the value of such contributions.

(2) If, pursuant to paragraph (1) above the Secretary of State requires a surrender of the whole or part of the value of the contributions, the Managers shall reinvest such contributions in accordance with article 6.

(3) If on or before the date when the Secretary of State exercises his right under paragraph (1) above, a request has been received from a contributor under article 6(3), the Managers may give effect to such request.

Taxation

14. Whenever the Managers as administrators of the AVC scheme are liable for any tax in respect of any payment made to any person under this Order, the Treasury shall deduct sums equal in total to such tax from any payments made to such person.

Costs

15. The expenses of establishing and administering the AVC scheme shall be paid out of money provided by Parliament.

Prohibition on assignment or charge on benefits

16. Any assignment (or, in Scotland, assignation) of, or charge on, or any agreement to assign or charge, any benefits payable under the AVC scheme shall be void.

Home Office	*Blatch*
14th March 1995	Minister of State

SCHEDULE 1

Article 11(1)

FINAL REMUNERATION

In this Order, "final remuneration" means the greater of—

(a) the highest emoluments of a person as a Representative which are assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined for any period of 12 months in the 5 years preceding the relevant date, and

(b) the yearly average of the total emoluments of a person as a Representative which are assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined for any 3 or more consecutive years ending not earlier than 10 years before the relevant date.

Provided that—

(i) where final remuneration is computed by reference to any year other than the last complete year ending on the relevant date, the contributor's remuneration (as calculated in (a) above) or total emoluments (for the purposes of (b) above) of any year may be increased in proportion to any increase in the index from the last day of that year up to the relevant date;

(ii) an early retirement pension in payment under the principal Order may not be included in final remuneration;

(iii) final remuneration shall not exceed the permitted maximum.

For the purposes of providing immediate benefits at the relevant date final remuneration may be calculated on the appropriate basis above using remuneration assessable to tax under Case I or II of Schedule E and upon which tax liability has not been determined. On determination of this liability final remuneration shall be recalculated. Should this result in a lower final remuneration then benefits in payment shall be reduced as necessary. Where final remuneration is greater, the benefits in payment may be augmented. Such augmentation shall take the form of an annuity.

Where immediate benefits are not being provided or where a transfer payment is to be made in respect of accrued pension benefits then final remuneration may only be calculated using remuneration assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined.

SCHEDULE 2

Article 11(2)

1. This Schedule sets out the maximum pension payable in respect of a person at the relevant date.

Class A contributors

2.—(1) On retirement at any time after age 50 except before normal retirement date on grounds of incapacity, a pension of 1/60th of final remuneration for each year of service (not exceeding 40 years) or, if greater,

the lesser of

(a) 1/30th of final remuneration for each year of service (not exceeding 20 years); and

(b) 2/3rds of final remuneration minus the pension value of all retained benefits.

(2) On retirement before normal retirement date on grounds of incapacity an immediate pension in accordance with sub-paragraph (1) above on the basis of the number of years which would have counted as service had the contributor remained in service to the normal retirement date.

(3) On leaving pensionable service before the normal retirement date a deferred pension—

(a) for contributors who remain in service, of that proportion of the amount calculated in accordance with sub-paragraph (2) above that the number (not exceeding 40) of years of pensionable service completed before leaving pensionable service bears to the potential number (not exceeding 40) of years of service had the contributor remained in service to the normal retirement date; or

(b) for other contributors, of the amount calculated in accordance with sub-paragraph (1) above,

increased by up to 3 per cent for each complete year, or, if greater, in proportion to any increase in the index which has occurred during the period of deferment.

(4) Benefits are further restricted as necessary to ensure that the contributor's total retirement benefit from the AVC scheme, from the principal scheme and from any FSAVC scheme does not exceed 1/30th of the permitted maximum for each year of service. For the purpose of this limit service is the aggregate of service provided that the total shall not exceed 20 years. The permitted maximum in this context is that for the year of assessment in which the benefits commence to be paid or, if earlier, are transferred out of the principal scheme. For the purpose of calculating the total retirement benefit the pension equivalent of benefit in any form other than pension is one twelfth of its cash value.

Class B and Class C contributors

3.—(1) On retirement at the normal retirement date a pension of 1/60th of final remuneration for each year of service (not exceeding 40 years) or, if greater,

the lesser of—

(a) (i) for Class C contributors the fraction of final remuneration ascertained from the following table—

Years of Service	Appropriate fraction
6	8/60
7	16/60
8	24/60
9	32/60
10 or more	40/60

or

(ii) for Class B contributors 1/30th of final remuneration for each year of service (not exceeding 20 years);

and

(b) 2/3rds of final remuneration minus the pension value of all retained benefits.

(2) On retirement before normal retirement date—

(a) on grounds of incapacity, the amount calculated in accordance with sub-paragraph (a) above that the number (not exceeding 40) of years of service completed before leaving service bears to the potential number (not exceeding 40) of years of service had the contributor remained in service to normal retirement date.

(b) other than on grounds of incapacity the greater of–

(i) 1/60th of final remuneration for each year of service (not exceeding 40 years); and

(ii) that proportion of the amount calculated in accordance with paragraph (a) above that the number (not exceeding 40) of years of service completed before leaving service bears to the potential number (not exceeding 40) of years of service had the contributor remained in service to the normal retirement date.

(3) On retirement after normal retirement date a pension of the greatest of—

(a) the amount calculated in accordance with sub-paragraph (1) above on the basis that the actual date of retirement was the contributor's normal retirement date; or

(b) the amount which could have been provided at normal retirement date in accordance with sub-paragraph (1) above increased either actuarially in respect of the period of deferment or in proportion to any increase in the index during that period, or

(c) where the contributor's total service has exceeded 40 years, the aggregate of 1/60th or final remuneration for each year of service before normal retirement date (not exceeding 40 such years) and of a further 1/60th of final remuneration for each year of service after normal retirement date, with an overall maximum of 45 reckonable years.

Final remuneration being computed in respect of (a) and (c) above as at the actual date of retirement.

Contributors with deferred pension

4. On leaving pensionable service before normal retirement date a deferred pension calculated in accordance with paragraph 2(3) or 3(2)(b) above but increased by up to 3 per cent for each complete year, or, if greater, in proportion to any increase in the index which has occurred during the period of deferment.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes provision for participants in the pension scheme for United Kingdom Representatives to the European Parliament (constituted by the provisions of Orders made under section 4 of the European Parliament (Pay and Pensions Act 1979) to pay additional voluntary contributions in order to secure additional benefits within limits determined by the Board of Inland Revenue. Article 3 provides for the Secretary of State to appoint financial institutions to accept contributions and to provide pension benefits and for the scheme to be administered by the Managers of the principal scheme.

Article 5 deals with the payment of regular and lump sum contributions and imposes a limit on their total amount. A transfer value to the AVC scheme may be accepted by the Managers only if it represents the realisable value of the contributor's own voluntary contributions. Article 6 provides for the Managers to invest contributions in accordance with any instructions given by the contributor, which may include instructions to pay all or part of the contributions to secure a lump sum death benefit in the event of death while paying such contributions.

Article 7 sets out what benefits are available and when. On retirement, article 9 provides that investments (except those made with death benefit contributions) are to be realised and retirement or dependants' pensions, or both, purchased with the proceeds from an institution appointed by the Secretary of State in accordance with the contributor's instructions. Article 10 sets out the circumstances in which, before retirement, the realisable value of a contributor's investments may be transferred to another pension scheme, used to purchase an annuity, or returned to him.

Article 11, with Schedule 2, sets out the limits imposed by the Board of Inland Revenue on all kinds of benefits payable under the Order; to the extent that any limit would otherwise be exceeded, article 12 refers to Revenue Regulations which provide that the contributor may choose to use the excess to increase or to provide another permitted benefit, to link to the Index of Retail Prices pension which would otherwise be payable at a flat rate or to have the excess amount repaid, after deduction of tax.

Article 13 permits the Secretary of State to require an institution to surrender the whole or part of the value of contributions invested with it; the Managers must then re-invest the amount surrendered in accordance with article 6. Article 15 specifies that the costs of establishing and administering the AVC scheme are to be paid out of money provided by Parliament and article 16 prohibits the assignment or charge of any benefits payable under the scheme.

The Order revokes S.I.1995/720 which was defective and was not published.