

SCHEDULE 3

Article G1

PART I

COMMUTATION OF PENSIONS

1.—(1) In this Schedule, unless the context otherwise requires—

“N” means in respect of the pension of a person, the period in years and any fraction of a year of his actual reckonable service before the relevant date or (if earlier) his 65th birthday;

“NS” means in respect of the pension of a person, the lesser of 40 years and the period in years and any fraction of a year of his prospective actual reckonable service at the relevant date;

“pension” means a pension, expressed as an annual amount, under Part F (pension entitlement), Part H (early retirement) or Part J (ill-health pensions) as the case may be; and “maximum pension” shall be construed accordingly;

“prospective actual reckonable service” means in respect of a person—

(a) at a date falling before his 65th birthday, his actual reckonable service before and after that date, assuming continuous actual reckonable service by him from that date until his 65th birthday;

(b) at a date falling on or after 65th birthday, his actual reckonable service at his 65th birthday;

“retained benefits” has the meaning given in Schedule 2;

“retained lump sum benefits” means retained benefits which are payable as single payments whether by way of commutation of accrued pension rights, refund of contributions or otherwise.

(2) Any reference in this Schedule to the beginning of a period of actual reckonable service of a person means any such beginning on his becoming a participant other than after an interval in his actual reckonable service occurring on a dissolution of the Parliament.

(3) Any reference in this Schedule to a person being or no longer being a participant shall be construed as a reference to whichever of those circumstances is applicable to the calculation of his pension.

Maximum commutation for members (including those retiring on grounds of ill-health)

2. For the purposes of article G1(4), in the case of a participant entitled to a pension under article F1—

(a) who has no retained lump sum benefits and who either was a member of the Parliament on his 65th birthday or is so entitled by virtue of article J1 or J3 (ill-health pensions), the maximum commutable sum shall be the amount of—

(i) the number of eightieths of his final salary, either specified in the table in Part II of this Schedule in relation to the number of complete years of his actual reckonable service or (if the period of that service includes a fraction of a year) calculated proportionately by reference to the numbers specified in that table; and

(ii) the product of three-eightieths of his final salary and any period, expressed in years and any fraction of a year, determined in respect of him under article P6(2) (transfers from other pension schemes),

subject to a maximum of the amount of 120/80ths of his final salary;

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- (b) who has retained lump sum benefits, but would otherwise be within sub-paragraph (a) above, the amount of the maximum commutable sum shall be whichever is the greater of—
 - (i) the amount of 120/80ths of his final salary, less the amount of his retained lump sum benefits; and
 - (ii) the amount of the product of three-eightieths of his final salary and the aggregate, expressed in years and any fraction of a year subject to a maximum of 40 years, of his actual reckonable service and of any period determined in respect of him under article P6(2) (transfers from other pension schemes).

Maximum commutation for members on early retirement

3. For the purposes of article G1(4), in the case of a participant entitled to a pension under article H1—

- (a) who has no retained lump sum benefits, was no longer a member of the Parliament on his 65th birthday and is not entitled to a pension by virtue of article J1 or J3 (ill-health pensions), the amount of the maximum commutable sum, subject to a maximum of 120/80ths of his final salary, shall be whichever is the greater of—
 - (i) the amount of the product of N/NS and the number of eightieths of his final salary, either specified in the table in Part II of this Schedule in relation to the number of complete years of his prospective actual reckonable service or (if the period of that service includes a fraction of a year) calculated proportionately by reference to the numbers specified in that table; and
 - (ii) the amount of the product of three-eightieths of his final salary and the period, expressed in years and any fraction of a year, of his actual reckonable service, aggregated with the amount referred to in paragraph 2(a)(ii);
- (b) who has retained lump sum benefits but would otherwise be within sub-paragraph (a) above, the amount of the maximum commutable sum shall be whichever is the greater of—
 - (i) the aggregate of—
 - (a) the amount referred to in sub-paragraph (a)(i) above, subject to a maximum of the product of N/NS and the amount referred to in paragraph 2(b)(i); and
 - (b) the amount referred to in paragraph 2(a)(ii), subject to a maximum of the amount of 120/80ths of his final salary, less his retained lump sum benefits; and
 - (ii) the amount referred to in paragraph 2(b)(ii).

Maximum commutation for office holders (including those retiring on grounds of ill-health)

4. For the purposes of article G1(4), in the case of a participant entitled to a pension under article F2—

- (a) who has no retained lump sum benefits and who either was an office holder on his 65th birthday or is so entitled by virtue of article J1 or J3 (ill-health pensions), the amount of the maximum commutable sum shall be the amount of—
 - (i) the number of eightieths of his final salary, specified in the table in Part II of this Schedule in relation to the number of years, each beginning on 1st April, during which he had any actual reckonable service; and
 - (ii) the product of three-eightieths of his final salary and any period, expressed in years and any fraction of a year, determined in respect of him under article P6(3) (transfers from other pension schemes),

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subject to a maximum of the amount of 120/80ths of his final salary;

- (b) who has retained lump sum benefits, but would otherwise be within sub-paragraph (a) above, the amount of the maximum commutable sum shall be whichever is the greater of—
 - (i) the amount of 120/80ths of his final salary, less his retained lump sum benefits; and
 - (ii) the amount of the product of three-eightieths of his final salary and, subject to a maximum of 40 years, the aggregate of—
 - (a) the number of years, each beginning on 1st April, during which he has any actual reckonable service; and
 - (b) the number of years (if any) determined in respect of him under article P6(3).

Maximum commutation for office holders on early retirement

5. For the purposes of article G1(4), in the case of a participant entitled to a pension under article H2—

- (a) who has no retained lump sum benefits, was no longer an office holder on his 65th birthday and is not entitled to a pension by virtue of article J1 or J3, the amount of the maximum commutable sum, subject to a maximum of 120/80ths of his final salary, shall be whichever is the greater of—
 - (i) the amount of the product of N/NS and the number of eightieths of his final salary, specified in the table in Part II of this Schedule in relation to the number of years, each beginning on 1st April, during which any part of his prospective actual reckonable service falls; and
 - (ii) the amount of the product of three-eightieths of his final salary and the number of years, each beginning on 1st April, during which he has any actual reckonable service,aggregated with the amount referred to in paragraph 4(a)(ii);
- (b) who has retained lump sum benefits but would otherwise be within sub-paragraph (a) of this paragraph, paragraph 3(b) above shall apply in respect of him, as if set out in this paragraph.

Earnings cap

6. The maximum commutable sum for any participant shall be further limited to an overall maximum of 120/80ths of the permitted maximum.

PART II

MAXIMUM COMMUTATION OF PENSIONS

TABLE

<i>Number of years</i>	<i>Number of eightieths</i>
1	3
2	6
3	9
4	12

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<i>Number of years</i>	<i>Number of eightieths</i>
5	15
6	18
7	21
8	24
9	30
10	36
11	42
12	48
13	54
14	63
15	72
16	81
17	90
18	99
19	108
20 or more	120