

SCHEDULE 1
SCOTTISH PARLIAMENTARY PENSION SCHEME

PART F

PENSIONS

Scheme pension

- 37 (1) A pension (a “scheme pension”) is to be paid to every individual who—
- (a) has reckonable service as an MSP or office-holder,
 - (b) is aged 65 or over, and
 - (c) is neither an MSP nor the holder of a pensionable office.
- (2) Unless the scheme otherwise provides, the annual scheme pension payable to such an individual is an amount equal to the total of—
- (a) the annual MSP pension payable in accordance with rule 38, and
 - (b) the annual office-holder pension payable in accordance with rule 39.

Amount of MSP pension

- 38 (1) The annual MSP pension payable to an individual is an amount equal to—

$$\text{MSP's final salary} \times \left(\frac{A}{50} + \frac{B}{40} \right)$$

where—

“A” is the individual’s reckonable service as an MSP during which lower rate scheme member contributions were made, and

“B” is the individual’s reckonable service as an MSP during which higher rate scheme member contributions were made.

- (2) Where an individual’s annual MSP pension (including any enhancement made by virtue of other scheme rules) exceeds the individual’s annual MSP pension cap, the annual MSP pension payable to the individual is to be reduced to the individual’s annual MSP pension cap.

An individual’s “annual MSP pension cap” is two-thirds of the individual’s final salary as an MSP (ignoring any reduction in final salary by virtue of section 82(2) of the Scotland Act 1998 (c. 46)).

Amount of office-holder pension

- 39 (1) The annual office-holder pension payable to an individual is an amount equal to the total of the individual’s office-holder pension entitlements.
- (2) An individual obtains an office-holder pension entitlement in respect of each period for which he or she holds a pensionable office.
- (3) The amount of an office-holder pension entitlement for such a period is calculated as follows—

Status: This is the original version (as it was originally enacted).

office-holder's final salary in respect of period $\times \left(\frac{A}{50} + \frac{B}{40} \right)$

where—

“A” is the individual's reckonable service as an office-holder accrued when holding the office concerned in respect of which the individual made lower rate scheme member contributions, and

“B” is the individual's reckonable service as an office-holder accrued when holding the office concerned during which the individual made higher rate scheme member contributions.

- (4) Where an individual's annual office-holder pension (including any enhancement made by virtue of other scheme rules) exceeds the individual's annual office-holder pension cap, the annual office-holder pension payable to the individual is to be reduced to the individual's annual office-holder pension cap.

An individual's “annual office-holder pension cap” is—

- (a) two-thirds of the final salary amount used to calculate the individual's office-holder pension entitlement, or
- (b) where an individual has more than one such entitlement, two-thirds of the highest such final salary amount.

Duration of scheme pension

- 40 (1) A scheme pension is payable from the day on which the individual concerned is first entitled to receive it.
- (2) Pension payments need not begin unless the individual entitled to the scheme pension has—
- (a) notified the Fund trustees that he or she wishes pension payments to begin, and
 - (b) given the Fund trustees such information as they may reasonably require—
 - (i) about the individual's entitlement to any other pension,
 - (ii) to calculate their liability for a lifetime allowance charge or any other tax,
 - (iii) to make the payments.

This rule does not affect the date from which a scheme pension is payable.

- (3) Pension payments are to continue for the rest of the individual's life (see rule 41 for exception).
- (4) Pension payments are to be made monthly in arrears (or in other instalments of no longer than one year as the Fund trustees may determine).

Suspension of scheme pension

- 41 (1) Where a scheme pensioner becomes an MSP or the holder of a pensionable office, pension payments are to be suspended until the individual concerned stops being an MSP or the holder of that office.

Status: This is the original version (as it was originally enacted).

- (2) The amount of any lump sum payable under Part K in respect of an individual who dies when such a suspension has effect is to be reduced by an amount equal to the total of—
- (a) the amount of scheme pension already paid to the individual,
 - (b) the amount of any retirement lump sum paid to the individual, and
 - (c) the amount of any pension or lump sum payable in respect of the individual under Part L.
- (3) When such a suspension ends in relation to an individual who was entitled to an ill-health pension before the suspension began—
- (a) the individual is to be treated from then on as if he or she had not been entitled to an ill-health pension, and
 - (b) a corresponding reduction is to be made—
 - (i) to the individual's pension payments, and
 - (ii) to any added years obtained by virtue of rule 86(2)(a)).