

SCHEDULES

SCHEDULE 5

PENSIONS: MISCELLANEOUS AMENDMENTS AND ALTERNATIVE TO ANTI-FRANKING RULES

PART I

MISCELLANEOUS AMENDMENTS

Conditions of payment of surplus to employer

9.—(1) Article 37 of the Pensions Order (payment of surplus to employer) shall be amended as follows.

(2) In paragraph (4) for sub-paragraph (d) there shall be substituted—

“(d) the annual rates of the pensions under the scheme are increased, at intervals of not more than twelve months, by at least the relevant percentage, and”.

(3) After paragraph (5) there shall be inserted—

“(5A) For the purposes of paragraph (4)(d), the relevant percentage is the percentage which, for the purposes of the increases of the annual rates of the pensions under the scheme—

(a) falls to be computed by reference to a period which, except in the case of the first increase—

(i) begins with the end of the period by reference to which the last preceding increase was made, and

(ii) ends with a date which falls after the date of the last preceding increase, and

(b) is equal to whichever is the lesser of—

(i) the percentage increase in the retail prices index over the period by reference to which the increase is made, and

(ii) the equivalent over that period of 5 per cent. per annum.”.

(4) In paragraph (6), for the words from the beginning to the end of sub-paragraph (a) there shall be substituted—

“(6) In this Article—

(a) “annual rate” has the same meaning as in Article 54, and”.

(5) The preceding provisions of this paragraph have effect in relation to payments made to an employer at any time after the coming into operation of this paragraph.