

## SCHEDULES

### SCHEDULE 7

#### Final salary link

*Persons whose benefits under an old scheme  
are transferred to another closed scheme*

- 2.—(1) This paragraph applies in a case where—
- (a) a person has been a member of an existing scheme to which section 18(1) applies or a scheme to which section 32(2) applies (“the old scheme”) by virtue of his or her pensionable service for that scheme (“the old scheme service”),
  - (b) the person is also a member of a scheme under section 1 or a new public body pension scheme (“the new scheme”) by virtue of his or her pensionable service for that scheme (“the new scheme service”),
  - (c) the person’s rights to benefit under the old scheme have been transferred after the date referred to in section 18(1) or section 32(2) to an existing scheme to which section 18(1) applies or a scheme to which section 32(2) applies (“the transfer scheme”), and
  - (d) the old scheme service is treated, by virtue of that transfer, as pensionable service of the person for the transfer scheme (“the deemed transfer scheme service”).
- (2) If, in a case where this paragraph applies—
- (a) the deemed transfer scheme service and the new scheme service are continuous, and
  - (b) the person’s employer in relation to the new scheme service is an employer in relation to the transfer scheme,
- then, in determining the person’s final salary for any purpose of the transfer scheme—
- (i) the deemed transfer scheme service is to be regarded as having ended when the new scheme service ended, and
  - (ii) such earnings as scheme regulations for the new scheme may specify, being earnings derived by the person from the new scheme service, are to be regarded as derived from the deemed transfer scheme service (subject to subparagraph (3)).

(3) The amount of the earnings that are to be regarded as derived from the deemed transfer scheme service must not be materially less than the amount of the earnings that would have been the person's pensionable earnings derived from that service had the new scheme service been deemed transfer scheme service.

(4) In sub-paragraph (1)(c), the reference to a transfer of rights to benefit includes the making of a transfer payment in respect of such rights.