

SCHEDULES

SCHEDULE 14

POWER TO AMEND SCHEMES TO REFLECT ABOLITION OF CONTRACTING-OUT

What can the power be used to do?

- 2.—(1) The power may be used—
- (a) to increase the employee contributions of the relevant members;
 - (b) to alter the future accrual of benefits for or in respect of them.
- (2) But the power may not be used in a way that would—
- (a) increase the amount of the total annual employee contributions of the relevant members by more than the annual increase in the employer's national insurance contributions in respect of them,
 - (b) reduce the amount of the scheme's liabilities in respect of the benefits that accrue annually for or in respect of the relevant members by more than the annual increase in the employer's national insurance contributions in respect of them, or
 - (c) result in the sum of the amount of any increase in the total annual employee contributions of the relevant members and the amount of any reduction in the scheme's liabilities in respect of the benefits that accrue annually for or in respect of the relevant members being more than the annual increase in the employer's national insurance contributions in respect of the relevant members.
- (3) Regulations are to define what is meant by—
- (a) the total annual employee contributions of the relevant members;
 - (b) the annual increase in an employer's national insurance contributions in respect of the relevant members;
 - (c) a scheme's liabilities in respect of the benefits that accrue annually for or in respect of the relevant members.
- (4) The regulations may make provision about the calculation of those amounts, including provision requiring them to be calculated in accordance with specified methods or assumptions.

(5) Where the effect of using the power to increase employee contributions of the relevant members would be to increase the contributions that the employer is required to pay, the power may be used to make other amendments needed to ensure that only the employee contributions are increased because of the use of the power.

(6) Where the effect of using the power to alter the future accrual of benefits for or in respect of the relevant members would be to decrease the contributions that any members are required to pay, the power may be used to make other amendments needed to ensure that the contributions of those members are not decreased because of the use of the power.

3.—(1) The power may not be used in a way that would or might adversely affect the subsisting rights of—

- (a) a member of the scheme, or
- (b) a survivor of a member of the scheme.

(2) “Subsisting right” and “survivor” have the meanings given by Article 67A of the 1995 Order.

4. Regulations may impose further restrictions on the use of the power.