

SCHEDULES

SCHEDULE 20

PENSION PROTECTION FUND: INCREASED COMPENSATION CAP FOR LONG SERVICE

PART 2

EFFECT OF CHANGE IN TRANSITIONAL CASES

Recalculation of periodic compensation going forwards

- 8.—(1) This paragraph applies in relation to a person if—
- (a) the person is entitled to periodic compensation under paragraph 3, 11 or 15 of Schedule 6 to the 2005 Order,
 - (b) the compensation is restricted in accordance with paragraph 26 of that Schedule (compensation cap), and
 - (c) the person first became entitled to the compensation before the commencement date.
- (2) The protected pension rate for the person is to be recalculated as if the amendments made by Part 1 had always been in operation and the recalculated protected pension rate has effect for the person as from the commencement date.
- (3) For the purposes of that recalculation, paragraph 26A(7) of Schedule 6 to the 2005 Order (inserted by Part 1) has effect as if—
- (a) the references to an order made by the Department were references to the relevant old order, and
 - (b) the reference to actuarial adjustment factors were a reference to the relevant old actuarial adjustment factors.
- (4) In this paragraph—
- “the protected pension rate”—
- (a) for a person entitled to periodic compensation under paragraph 3 or 15 of Schedule 6 to the 2005 Order means the protected pension rate for the purposes of sub-paragraph (3)(a) of that paragraph;

- (b) for a person entitled to periodic compensation under paragraph 11 of that Schedule, means the protected notional pension for the purposes of subparagraph (3)(a) of that paragraph;

“the relevant old order” means the order in operation under paragraph 26(7) of Schedule 6 to the 2005 Order (as originally enacted) at the time when the person first became entitled to the periodic compensation;

“the relevant old actuarial adjustment factors” means the actuarial adjustment factors published by the Board under paragraph 26(7) of Schedule 6 to the 2005 Order (as originally enacted) at the time when the person first became entitled to the periodic compensation.

(5) Nothing in this paragraph affects increases already accrued under paragraph 28 of Schedule 6 to the 2005 Order in relation to periods before the commencement date.

New cap does not generally affect old payments

9.—(1) Nothing in this Schedule affects—

- (a) periodic compensation for a person for periods before the commencement date, or
- (b) lump sum compensation for a person who became entitled to the compensation before the commencement date.

(2) In this paragraph—

“periodic compensation” means compensation within paragraph 26(4)(a), (b) or (d) of Schedule 6 to the 2005 Order,

“lump sum compensation” means compensation within paragraph 26(4)(c) or (e) of that Schedule.

Survivors’ compensation

10. When working out the annual rate of a person’s periodic compensation under paragraph 4(3), 13(3) or 18(3) of Schedule 6 to the 2005 Order, take into account any effect that paragraph 8 would have had on the dead person’s rate if it were not for the death.

Cases involving early payment or postponement of compensation

11. Nothing in this Schedule affects the amount of—

- (a) an actuarial reduction under paragraph 25 of Schedule 6 to the 2005 Order in a case where a person became entitled to periodic compensation or lump sum compensation before the commencement date, or

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

- (b) an actuarial increase under paragraph 25A of that Schedule in a case where the commencement of periodic compensation or the payment of lump sum compensation was postponed before the commencement date (even if it continues to be postponed on or after that date).

Recalculation of terminal illness lump sums given in the past year

12.—(1) This paragraph applies in relation to a person who is alive on the commencement date if—

- (a) the person has become entitled to a terminal illness lump sum under paragraph 25E of Schedule 6 to the 2005 Order at any time in the period of one year ending with the commencement date, and
- (b) the amount of the terminal illness lump sum was restricted in accordance with paragraph 26 of that Schedule (compensation cap).

(2) The terminal illness lump sum for the person is to be recalculated under Schedule 6 to the 2005 Order as if the amendments made by Part 1 of this Schedule had been in operation at the time that the person became entitled to it.

(3) For the purposes of that recalculation, paragraph 26A(7) of Schedule 6 to the 2005 Order (inserted by Part 1) has effect as if—

- (a) the references to an order made by the Department were references to the relevant old order, and
- (b) the reference to actuarial adjustment factors were a reference to the relevant old actuarial adjustment factors.

(4) In sub-paragraph (3)—

“the relevant old order” means the order in operation under paragraph 26(7) of Schedule 6 to the 2005 Order (as originally enacted) at the time when the person became entitled to the terminal illness lump sum;

“the relevant old actuarial adjustment factors” means the actuarial adjustment factors published by the Board under paragraph 26(7) of Schedule 6 to the 2005 Order (as originally enacted) at the time when the person became entitled to the terminal illness lump sum.

Meaning of “the pension compensation provisions” in Part 3 of the 2005 Order

13. Article 146(2) of the 2005 Order is to be treated as including a reference to this Part among “the pension compensation provisions”.