SCHEDULE

Benefit Limits

# Part I

## Interpretation

4.—(1) Subject to sub-paragraph (3) and paragraph 5 "final remuneration" means the greater of A and B, where

A is the participator's highest year's adjusted salary in respect of employment in reckonable service, or salary in respect of a period of contributions under regulations 27 and 28 of the Principal Regulations, during the period 5 years ending on the material date; and

B is the average of the participator's salary for any period of 3 or more consecutive years ending no earlier than 10 years before the material date,

but, in respect of any year other than the one ending on the material date, the salary shall be taken to have been increased in proportion to any increase in the index from the end of that year up to the material date.

(2) In this paragraph "adjusted salary" means

$$C + D,$$

where—

C is the participator's total taxable salary for the year in question less any bonus payments and payments for overtime ("fluctuating emoluments"); and

D is the average, for a period ending with the year in question, of any fluctuating emoluments where the period is one of at least 3 years or, if shorter, the period during which the fluctuating emoluments have been payable.

(3) In respect of the tax year 1987/88 and subsequent tax years, "final remuneration" shall not include any sums chargeable to tax under section 148 of the Taxes Act or chargeable under Schedule E to Part I of the Taxes Act and arising from the acquisition or disposal of shares, or an interest in shares, or from a right to acquire shares except where the shares or interest in shares or right to acquire shares which gave rise on or after 17th March 1987 to a Schedule E tax liability had been acquired before that date.