

SCHEDULE 2

Scheme flexibilities

PART 3

Faster accrual election

CHAPTER 1

Making the election

Faster accrual election

22.—(1) A member (P) may elect, in relation to pensionable service in an eligible employment, to pay contributions to accrue earned pension at a faster accrual rate in a financial year (“faster accrual election”).

(2) A faster accrual election must state the faster accrual rate which is to apply to P’s pensionable earnings in that employment for that financial year.

(3) A faster accrual election—

(a) must be made—

(i) in the financial year before the financial year to which it relates; or

(ii) if P is a new joiner, within one month after P enters pensionable service in relation to an employment;

(b) has effect from—

(i) the start of the financial year to which it relates; or

(ii) if P is a new joiner, one month after the election is received by the scheme manager; and

(c) ceases to have effect at the end of the financial year to which it relates unless it is revoked before then.

(4) When making a faster accrual election, P must be—

(a) in pensionable service; and

(b) under normal pension age.

Making a faster accrual election

23.—(1) A faster accrual election must be made by written notice to the scheme manager.

(2) The notice of election must specify—

(a) if the member (P) is in more than one eligible employment, the name of the employer who is to deduct the contributions;

(b) P’s name;

(c) P’s date of birth;

(d) P’s annual rate of pensionable earnings.

(3) The scheme manager may request further information to be provided.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Accepting a faster accrual election

24. The scheme manager may accept a faster accrual election by giving written notice to—

- (a) the member (P); and
- (b) P's employer.

(2) For the purpose of these Regulations, a faster accrual election is accepted when P receives notice from the scheme manager.

CHAPTER 2

Payment of contributions

Determination of contributions payable

25. The scheme manager must determine the amount of the monthly payment to be paid in respect of a faster accrual election.

Payment of contributions

26.—(1) A member (P)—

- (a) must make the first monthly payment within 2 months after the end of the month in which the faster accrual election is accepted; and
- (b) must continue to make the monthly payments until the end of the contributions payment period.

(2) The final monthly payment is due in the last month of the financial year to which the faster accrual election relates.

(3) P is taken to revoke a faster accrual election if—

- (a) a monthly payment is missed; and
- (b) the payment is not made within 3 months after P receives a written demand from the scheme manager.

CHAPTER 3

Revocation and refund

Revoking a faster accrual election

27.—(1) A member (P) may revoke a faster accrual election at any time before the end of the contributions payment period.

(2) P is taken to revoke a faster accrual election if P leaves pensionable service in the employment to which the election relates before the end of the contributions payment period.

(3) If P revokes or is taken to revoke a faster accrual election and P is not entitled to be repaid the balance of contributions under regulation 183—

- (a) P's monthly payments cease to be payable on the date of revocation; and
- (b) P's active member's account (or if P has left all pensionable service, P's deferred member's account or pensioner member's account) must be credited with an amount determined by the scheme manager.

(4) If P revokes or is taken to revoke a faster accrual election and P is entitled to be repaid the balance of contributions under regulation 183—

- (a) P's monthly payments cease to be payable on the date of revocation; and

- (b) P's rights under this scheme are extinguished.
- (5) A revocation must be by written notice to the scheme manager.
- (6) A revocation has effect from the date it is received by the scheme manager ("date of revocation").

Member leaves all pensionable service before qualifying for retirement benefits

28.—(1) This paragraph applies if a member (P) leaves all pensionable service before qualifying for retirement benefits in respect of that service.

(2) If this paragraph applies, any monthly payments made before the last day of pensionable service must be refunded to P.