

SCHEDULES

SCHEDULE 2

Section 16(4)

PAST SERVICE SCHEME: PENSIONS AND LUMP SUM PAYMENTS

PART 1

RETIREMENT AT OR ABOVE RETIRING AGE

Introduction

- 1 This Part of this Schedule applies in the case of a member of the past service scheme who—
- (a) retired before the commencement of this Schedule (whether or not before 1 January 1998) and on or after reaching the retiring age, or
 - (b) retires after that commencement on or after reaching that age.

Service of 37 years or more

- 2 (1) This paragraph applies where the member's qualifying period of pensionable service to which the past service scheme applies is at least 37 years of whole-time service.
- (2) If the member has not at any time in that period held the office of archbishop, diocesan bishop, suffragan bishop, dean, provost or archdeacon, the rate of pension is the full basic pension.
- (3) If the member has at any time in that period held an office referred to in sub-paragraph (2), the rate of pension is calculated by multiplying the full basic pension by the multiple in the following Table that is applicable to that office—

<i>Office</i>	<i>Multiple</i>
Archbishop	2
Bishop of London	1.8
Diocesan bishop (other than the Bishop of London)	1.5
Suffragan bishop, dean, provost or archdeacon	1.25

- (4) If the member has held more than one of those offices, the multiple to be used in the calculation under sub-paragraph (3) is the higher or highest applicable to the offices which he or she has held.
- (5) The amount of the lump sum payment, where the member becomes entitled to it after the commencement of this Schedule, is three times the full basic pension.
- (6) "Full basic pension" means two-thirds of the national minimum stipend for the year preceding that in which payment of the pension begins.

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- (7) The “national minimum stipend” for a year is the amount which the Archbishops’ Council specifies in its annual report as the amount which it recommends as the national minimum for that year for the stipends of clergy of incumbent status.
- (8) The references in this paragraph to the office of dean do not include a reference to the office of dean of the cathedral church of the diocese of Sodor and Man.

Whole-time service of under 37 years

- 3 (1) This paragraph applies where the member’s qualifying period of pensionable service to which the past service scheme applies is less than 37 years of whole-time service.
- (2) The rate of the pension for that period of service is calculated as follows.
- (3) The first step is to divide by 37 the rate of pension to which the member would be entitled if the qualifying period of pensionable service were 37 years of whole-time service.
- (4) The second step is to multiply the number obtained under sub-paragraph (3) by the number of complete years in the period of whole-time service.
- (5) The third step, which must be taken if the period of whole-time service includes part of a year, is—
 - (a) to divide by 12 the number obtained under sub-paragraph (3),
 - (b) to multiply the number obtained under paragraph (a) by the number of complete months in that part of the year, and
 - (c) to add the number obtained under paragraph (b) to the number obtained under sub-paragraph (4).
- (6) The amount of the lump sum payment is that which bears the same proportion to three times the full basic pension as the pension to which the member is entitled on retirement for the whole-time service bears to that to which the member would have been entitled if he or she had retired on reaching the retiring age with a qualifying period of service of 37 years of whole-time service.

Part-time service after 1 January 1987

- 4 (1) This paragraph applies where the member’s qualifying period of pensionable service to which the past service scheme applies consists of or includes part-time service performed after 1 January 1987.
- (2) In a case where the pension for that part-time service became payable before the commencement of this Schedule, the rate of pension continues to be the rate which the Board had determined under paragraph 4 of Schedule 1 to the Church of England Pensions Regulations 1998.
- (3) In a case where the pension for that part-time service becomes payable after the commencement of this Schedule, the rate of pension is calculated by multiplying the rate which would have been payable if the service had been whole-time service by such proportion as the Board determines.
- (4) When making a determination under sub-paragraph (3), the Board must act in accordance with the general directions of the Church Commissioners.

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- (5) The amount of the lump sum payment is the amount which bears the same proportion to three times the full basic pension as the pension to which the member is entitled on retirement for the part-time service bears to that to which the member would have been entitled if he or she had retired on reaching the retiring age with a qualifying period of service of 37 years of whole-time service.
- (6) The qualifying period of pensionable service in a case where the pension for the part-time service becomes payable after the commencement of this Schedule does not include a year, or part of a year, in which the amount received by the member in respect of stipendiary ecclesiastical service is less than such amount as the Board determines with the agreement of the Church Commissioners.

PART 2

EARLY RETIREMENT IN CASES OF INFIRMITY

Retirement from office on grounds of infirmity

- 5 (1) This paragraph applies in the case of a member of the past service scheme who retires, or has already retired, before reaching the retiring age on grounds of having become incapable through infirmity of performing the duties of his or her office.
- (2) If the member retired before 1 January 1998, the rate of pension is the rate to which the member would have been entitled if he or she—
 - (a) had continued until reaching the retiring age to perform pensionable service of the kind he or she was performing immediately before retiring, and
 - (b) had retired on reaching the retiring age.
- (3) Otherwise, the rate of pension is the rate, and (if the member retires after the commencement of this Schedule) the amount of the lump sum payment is the amount, to which the member would have been entitled if he or she had retired on reaching the retiring age.

Infirmity arising after pensionable service ended

- 6 (1) This paragraph applies in the case of a member of the past service scheme—
 - (a) who ceases, or has already ceased, to perform pensionable service before reaching the retiring age and without becoming entitled to receive a pension under the scheme, and
 - (b) who, after ceasing to do so but before reaching the retiring age, satisfies the Board that he or she has, or satisfied it that he or she had, become incapable through infirmity of performing pensionable service.
- (2) The rate of pension is the rate, and (if the member ceases to perform pensionable service after the commencement of this Schedule) the amount of the lump sum payment is the amount, to which the member would have been entitled if he or she had reached the retiring age on the day on which he or she ceased to perform pensionable service.

PART 3

EARLY RETIREMENT OTHERWISE THAN IN CASES OF INFIRMITY

Retirement which began before commencement of this Schedule

- 7 (1) This paragraph applies in the case of a member of the past service scheme who retired before the commencement of this Schedule and before reaching the retiring age, otherwise than on grounds of infirmity but no more than 10 years before he or she would have reached the retiring age.
- (2) The rate of pension is the rate calculated by—
- (a) taking the rate of pension to which the member would have been entitled under Part 1 of Schedule 1 to the Church of England Pensions Regulations 1988 if he or she had reached the retiring age on the date on which the pension becomes payable, and
 - (b) deducting from that the amount which the Board had determined under paragraph 7(b) of that Schedule.

Retirement which begins after commencement of this Schedule

- 8 (1) This paragraph applies in the case of a member of the past service scheme who retires after the commencement of this Schedule and before reaching the retiring age, otherwise than on grounds of infirmity but no more than 10 years before he or she would have reached the retiring age.
- (2) The rate of pension is calculated by—
- (a) working out the rate of pension to which the member would have been entitled under Part 1 of this Schedule if he or she had reached the retiring age on the date on which the pension becomes payable, and
 - (b) deducting from that such amount as the Board determines with the agreement of the Church Commissioners.
- (3) If the member is entitled to a lump sum payment, the amount is calculated by—
- (a) working out the amount of the lump sum payment to which the member would have been entitled under Part 1 of this Schedule if he or she had reached the retiring age on the date on which he or she retired, and
 - (b) deducting from that such amount as the Board determines with the agreement of the Church Commissioners.
- (4) Before making a determination under sub-paragraph (2)(b) or (3)(b), the Board must obtain the advice of an actuary.

PART 4

ADDITIONAL LUMP SUM PAYMENT

- 9 (1) A member of the past service scheme who becomes entitled to a lump sum payment under section 15 after the commencement of this Schedule may, with the agreement of the Board, give up pension under the scheme for an additional lump sum payment.
- (2) It is up to the member to choose the amount of an additional lump sum payment under this paragraph; but the amount must not exceed that which, when aggregated with

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the amount of the member's lump sum payment under section 15, is the maximum amount permitted as a pension commencement lump sum.

- (3) Accordingly, a member may not exercise the power under this paragraph if the amount of the member's lump sum payment under section 15 is equal to the maximum amount permitted as a pension commencement lump sum.
- (4) A lump sum payment under this paragraph is payable when the member's pension under the past service scheme becomes payable.
- (5) The Board may impose restrictions on a member's exercise of the entitlement under this paragraph.
- (6) The basis for converting pension to a lump sum payment under this paragraph is to be determined by the Board on the advice of an actuary.
- (7) "Pension commencement lump sum" has the meaning given in Part 4 of the Finance Act 2004.