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**Changes to legislation:** Building Societies Act 1986, Cross Heading: Aggregate amount of director's remuneration etc is up to date with all changes known to be in force on or before 27 May 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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## SCHEDULES

### [<sup>F1</sup>SCHEDULE 10A

#### DISCLOSURES ABOUT DIRECTORS, OTHER OFFICERS AND EMPLOYEES IN NOTES TO ACCOUNTS

##### Textual Amendments

- F1** Schs. 10A, 10B inserted (22.12.2004) (with effect in accordance with art. 1(2) of the amending S.I.) by [The Building Societies Act 1986 \(International Accounting Standards and Other Accounting Amendments\) Order 2004 \(S.I. 2004/3380\)](#), art. 1, **Sch. para. 9**

### PART 1

#### EMOLUMENTS OF AND DEALINGS WITH DIRECTORS AND OTHER OFFICERS

##### *Aggregate amount of director's remuneration etc*

1. (1) The following must be shown—
  - (a) the aggregate amount of salary and fees and sums paid by way of expenses allowance (so far as they are chargeable to United Kingdom tax) paid to or receivable by directors in respect of qualifying services;
  - (b) the aggregate amount of bonuses paid to or receivable by directors in respect of qualifying services;
  - (c) the aggregate amount of the estimated money value of any other benefits paid to or receivable by directors in respect of qualifying services otherwise than in cash;
  - (d) the aggregate of the amount of gains made by directors on the exercise of share options;
  - (e) the aggregate of the following—
    - (i) the amount of money paid to or receivable by directors under long-term incentive schemes in respect of qualifying services; and
    - (ii) the net value of assets (other than money and share options) received or receivable by directors under such schemes in respect of such services;
  - (f) the aggregate value of any society contributions paid, or treated as paid, to a pension scheme in respect of directors' qualifying services, being contributions by reference to which the rate or amount of any money purchase benefits that may become payable will be calculated;
  - (g) the aggregate amount of the increase during the financial year in the value of any accrued pension or accrued lump sum comprising defined benefits payable in respect of any qualifying services performed by directors during the financial year; and

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(h) the total aggregate amounts in paragraphs (a) to (g).

(2) In this paragraph—

“accrued pension” and “accrued lump sum”, in relation to any pension scheme and any director, mean respectively the amount of the annual pension, and the amount of the lump sum, which would be payable under the scheme on his attaining normal pension age if—

- (a) he had left the society's service at the end of the financial year;
- (b) there were no increase in the general level of prices in the United Kingdom during the period beginning with the end of that year and ending with his attaining that age;
- (c) no question arose of any commutation of the pension or inverse commutation of the lump sum; and
- (d) any amounts attributable to voluntary contributions paid by the director to the scheme, and any money purchase benefits which would be payable under the scheme, were disregarded;

“amount”, in relation to a gain made on the exercise of a share option means the difference between—

- (a) the market price of the shares on the day on which the option was exercised, and
- (b) the price actually paid for the shares;

[<sup>F2</sup>“collective money purchase benefit” has the meaning given in section 1 [<sup>F3</sup>or 52] of the Pension Schemes Act 2021;]

“defined benefits” means retirement benefits payable under a pension scheme which are not money purchase benefits;

“defined benefit scheme”, in relation to a director, means a pension scheme which is not a money purchase scheme;

“long-term incentive scheme” means any agreement or arrangement under which money or other assets may become receivable by a director and which includes one or more qualifying conditions with respect to service or performance which cannot be fulfilled within a single financial year; and for this purpose the following are disregarded—

- (a) bonuses the amount of which falls to be determined by reference to service or performance within a single financial year;
- (b) compensation for loss of office, payments for breach of contract and other termination payments; and
- (c) retirement benefits;

“money purchase benefits”, in relation to a director, [<sup>F4</sup>means—

- (a) retirement benefits] payable under a pension scheme the rate or amount of which is calculated by reference to payments made, or treated as made, by the director or by any other person in respect of the director and [<sup>F5</sup>which fall within paragraph 1A]; [<sup>F6</sup>and
- (b) collective money purchase benefits;]

“money purchase scheme”, in relation to a director, means a pension scheme under which all of the benefits that may become payable to or in respect of the director are money purchase benefits;

“normal pension age”, in relation to any pension scheme and any director, means the age at which the director will first become entitled to receive a full pension on retirement of any amount determined without reduction to take

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account of its payment before a later age (but disregarding any entitlement to pension upon retirement in the event of illness, incapacity or redundancy);

“net value”, in relation to any assets received or receivable by a director, means value after deducting any money paid or other value given by the director in respect of those assets;

“qualifying services”, in relation to any person, means his services as a director of the society, and his services while director of the society—

(a) as director of any of its connected undertakings; or

(b) otherwise in connection with the management of the affairs of the society or any of its connected undertakings;

“shares” means shares (whether allotted or not) in any connected undertaking of the society, and includes a share warrant as defined by [F7section 779(1) of the Companies Act 2006];

“share option” means a right to acquire shares;

“society contributions”, in relation to a pension scheme and a director, means any payments (including insurance premiums) made, or treated as made, to the scheme in respect of the director by a person other than the director;

“value”, in relation to shares received or receivable by a director on any day, means the market price of the shares on that day.

- (3) For the purposes of this paragraph amounts paid or receivable or share options granted in respect of a person's accepting office as a director are treated as amounts paid or receivable or share options granted in respect of his services as a director.
- (4) Where a pension scheme provides for any benefits that may become payable to or in respect of any director to be whichever are the greater of—
- (a) money purchase benefits as determined by or under the scheme; and
  - (b) defined benefits as so determined,
- the society may assume for the purposes of this paragraph that those benefits will be money purchase benefits, or defined benefits, according to whichever appears more likely at the end of the financial year.
- (5) For the purpose of determining whether a pension scheme is a money purchase or defined benefit scheme, any death in service benefits provided for by the scheme are disregarded.

#### Textual Amendments

- F2** Words in [Sch. 10A para. 1\(2\)](#) inserted (11.2.2021 for specified purposes, 1.8.2022 in so far as not already in force) by [Pension Schemes Act 2021 \(c. 1\)](#), s. 131(1)(3)(a), [Sch. 1 para. 1\(2\)](#); S.I. 2022/721, regs. 1(2), 3(a)
- F3** Words in [Sch. 10A para. 1\(2\)](#) inserted (11.2.2021 for specified purposes) by [Pension Schemes Act 2021 \(c. 1\)](#), s. 131(1)(3)(a), [Sch. 4 para. 1](#)
- F4** Words in [Sch. 10A para. 1\(2\)](#) substituted (11.2.2021 for specified purposes, 1.8.2022 in so far as not already in force) by [Pension Schemes Act 2021 \(c. 1\)](#), s. 131(1)(3)(a), [Sch. 1 para. 1\(3\)\(a\)](#); S.I. 2022/721, regs. 1(2), 3(a)
- F5** Words in [Sch. 10A para. 1\(2\)](#) substituted (24.7.2014) by [Pensions Act 2011 \(c. 19\)](#), [ss. 29\(5\)](#), 38(4); S.I. 2014/1683, art. 2

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- F6** Words in [Sch. 10A para. 1\(2\)](#) inserted (11.2.2021 for specified purposes, 1.8.2022 in so far as not already in force) by [Pension Schemes Act 2021 \(c. 1\)](#), s. 131(1)(3)(a), [Sch. 1 para. 1\(3\)\(b\)](#); S.I. 2022/721, regs. 1(2), 3(a)
- F7** Words in [Sch. 10A para. 1\(2\)](#) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 110](#) (with arts. 6, 11, 12)

- [<sup>F8</sup>1A (1) This paragraph applies for the purposes of [<sup>F9</sup>paragraph (a) of the definition] of “money purchase benefits” in paragraph 1(2).
- (2) A benefit other than a pension in payment falls within this paragraph if its rate or amount is calculated solely by reference to assets which (because of the nature of the calculation) must necessarily suffice for the purposes of its provision to or in respect of the director.
- (3) A benefit which is a pension in payment falls within this paragraph if—
- (a) its provision to or in respect of the director is secured by an annuity contract or insurance policy made or taken out with an insurer, and
  - (b) at all times before coming into payment the pension was a benefit falling within this paragraph by virtue of sub-paragraph (2).
- (4) For the purposes of sub-paragraph (2) it is immaterial if the calculation of the rate or amount of the benefit includes deductions for administrative expenses or commission.
- (5) In this paragraph references to a pension do not include income withdrawal or dependants' income withdrawal (within the meaning of paragraphs 7 and 21 of Schedule 28 to the Finance Act 2004).]

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**Textual Amendments**

- F8** [Sch. 10A para. 1A](#) inserted (24.7.2014) by [Pensions Act 2011 \(c. 19\)](#), [ss. 29\(6\)](#), 38(4); S.I. 2014/1683, art. 2
- F9** Words in [Sch. 10A para. 1A\(1\)](#) substituted (11.2.2021 for specified purposes, 1.8.2022 in so far as not already in force) by [Pension Schemes Act 2021 \(c. 1\)](#), s. 131(1)(3)(a), [Sch. 1 para. 1\(4\)](#); S.I. 2022/721, regs. 1(2), 3(a)

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 5(11)-(14) inserted by [2007 c. 26 s. 1\(2\)](#)
- s. 5(13)(a) substituted by [S.I. 2013/496 Sch. 8 para. 4\(4\)](#)
- s. 7(6A)-(6C) inserted by [2007 c. 26 s. 1\(1\)\(a\)](#)
- s. 7(8A) inserted by [2007 c. 26 s. 1\(1\)\(c\)](#)
- s. 176ZB excluded by [S.I. 2017/400 reg. 14](#)
- s. 246ZA-246ZC excluded by [S.I. 2017/400 reg. 15](#)
- s. 246ZD excluded by [S.I. 2017/400 reg. 16](#)