

## SCHEDULES

### SCHEDULE 4

#### PENSION PROTECTION FUND

##### *Postponement of compensation*

- 27 (1) Paragraph 28 (annual increase in periodic compensation) is amended as follows.
- (2) In sub-paragraph (3)—
- (a) in the definition of “underlying rate” for “any of the paragraphs mentioned in sub-paragraph (1)” substitute “paragraph 3 or 22”, and
  - (b) after that definition insert—  
““underlying rate” means, in the case of periodic compensation under paragraph 5, 8, 11 or 15, the aggregate of—
    - (a) so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to post-1997 service,
    - (b) so much of the amount mentioned in sub-paragraph (3)(aa) of the paragraph in question as is attributable to post-1997 service, and
    - (c) the amount within sub-paragraph (3)(b) of that paragraph immediately before the indexation date.”
- (3) In sub-paragraph (5)—
- (a) in paragraph (a) for the second “the” substitute “each”,
  - (b) omit the “and” at the end of that paragraph, and
  - (c) after paragraph (b) insert—  
“(c) for the purposes of sub-paragraph (2), the definition of “underlying rate” in the case of periodic compensation under paragraph 5, 8, 11 or 15 applies as if the reference in paragraph (b) of the definition to the amount mentioned in sub-paragraph (3)(aa) of the paragraph in question was a reference to that amount reduced by the commutation percentage, and
  - (d) that amount (as so reduced) is attributable to post-1997 service and pre-1997 service in the same proportions as that amount would have been so attributable had no part of the periodic compensation been commuted.”
- (4) After sub-paragraph (5) insert—
- “(5A) The amount mentioned in sub-paragraph (3)(aa) of paragraph 5, 8, 11 or 15 is attributable—

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*Status: This is the original version (as it was originally enacted).*

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- (a) to post-1997 service, in so far as it relates to so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to post-1997 service, and
  - (b) to pre-1997 service, in so far as it relates to so much of that amount as is attributable to pre-1997 service.
- (5B) Where the commencement of periodic compensation under paragraph 5, 8, 11 or 15 has been postponed by virtue of paragraph 25A, this paragraph applies as if the person first becomes entitled to periodic compensation under the paragraph in question on the day on which the periodic compensation commences.”