
EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes transitional provision for pensions for members and office holders of the Scottish Parliament.

The main provisions are that—

- (i) the Scheme will be administered by the Scottish Parliamentary Corporate Body (Part B and Schedule 1);
- (ii) Scheme membership will be automatic for both ordinary members of the Scottish Parliament and specified office holders, with a right to opt out (Part C);
- (iii) contributions will be 6% of salary (article D1);
- (iv) normal retirement age will be 65 (article F1);
- (v) pensions will be calculated on the basis of 1/50th of the Scheme member's salary for each year of service, subject to a maximum of 2/3rds of final salary and subject to reduction for those who were also members of the UK or European Parliament (Parts E and F);
- (vi) at retirement there will be the option of commuting part of the pension into a tax-free lump sum, subject to a maximum of 1 and 1/2 times final salary (Part G and Schedule 3);
- (vii) in certain circumstances Scheme members who retire on or after age 50 may receive an abated pension (Part H and Schedule 4);
- (viii) Scheme members who retire early on grounds of ill-health will receive immediate payment of enhanced pension (Part J);
- (ix) a pension will be payable to a spouse on the death of the Scheme member. Where the death occurs before retirement the spouse will receive a pension equal to the member's salary for a period of three months, then at a rate of 5/8ths of the pension which would have been payable to the member at age 65 (articles K1, K3 and K4);
- (x) where the death occurs after retirement the spouse will receive a pension equal to the member's pension for three months, then at a rate of 5/8ths of the member's uncommuted pension (articles K1 and K4);
- (xi) if a Scheme member dies within five years of retirement, the spouse's pension is payable at the rate of the member's pension for the remainder of those five years and thereafter at the rate of 5/8ths of the member's uncommuted pension (article M2);
- (xii) pensions are also payable to any dependant children (articles K2 and K3);
- (xiii) where a Scheme member dies in service a gratuity of three times salary will be payable to a nominated person or persons (Part L);
- (xiv) contributions may be refunded where a person leaves the Scheme after less than two years' service (Part N);
- (xv) Scheme members will be able to transfer service to and from the Scheme (Part P);
- (xvi) where a Scheme member will not attain maximum pension before age 65, he will be able to increase benefits by either buying added years of service or paying additional voluntary contributions (Parts Q and R and Schedules 5 and 6);
- (xvii) the First Minister and Presiding Officer of the Parliament are excluded from office holder's membership of the Scheme. Separate provision is made for their pension, which is payable

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immediately on their leaving office at a rate of one half of the salary payable at that time (articles C2 and S1).