

# **SCOTTISH PARLIAMENTARY PENSIONS ACT 2009**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### ***Schedule 3 transitional Provisions and Savings***

##### ***Paragraph 7: Reckonable service as an office-holder***

504. Similar provision is made for the calculation of office-holder pensions for those who were participating office-holders under the 1999 pensions order and who at new rules day are not pensioner members entitled to their pension.
505. Subparagraph (1) specifies that the provisions of paragraph 7 apply to a participating member who was a participating office-holder (defined as a person making contributions to the Fund from their salary under article A1(2) under the 1999 pensions order) and who at the new rules day is not a pensioner member entitled to receive their pension.
506. The pension entitlement for all such previous service will be calculated under the rules in Schedule 1. Subparagraph (2) sets out how the “aggregate period of reckonable service as a participating office-holder” is to be carried forward into the new scheme rules. The “aggregate period of reckonable service as a participating officeholder” is defined at article E2 of the 1999 pensions order. It is the actual period of reckonable service as a participating office-holder together with any increase in reckonable service attributable to sums received by way of a transfer in value. (There can be no increase due to added years as this was not permissible for office-holders under the 1999 pensions order).
507. When the aggregate period of service accrued under the 1999 pensions order is calculated the pension entitlement in relation to that service is calculated, under subparagraph (2)(b). The formula treats the service as a single aggregated period and applies it to the highest office-holder salary received during any 12 months of the period. For those who are in office at the new rules day, the single aggregated period ends when they leave that office, as opposed to ending on the new rules day.
508. Where the individual was a participating office-holder for less than 12 months, the salary is calculated as the actual salary figure to be paid to the office-holder whilst in post multiplied by 365 and divided by the number of days in the post to give a salary figure for the period.
509. Once the highest office-holder salary has been calculated, it is divided by 50 (reflecting contributions made at the lower rate with pension accruing at 1/50<sup>th</sup> of salary) and multiplied by the office-holder’s aggregate period of reckonable service.