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SCHEDULE 1
SCOTTISH PARLIAMENTARY PENSION SCHEME

PART I

ILL-HEALTH

Serious ill-health pension

47 An individual is entitled to a serious ill-health pension if the Fund trustees are satisfied that the following conditions are met—

<i>Condition 1</i>	The individual resigns as or otherwise stops being an MSP or, as the case may be, the holder of a pensionable office as a direct consequence of a health condition.
<i>Condition 2</i>	At that time, the individual would be entitled to a scheme pension but for the fact that the individual is not yet 65 years old.
<i>Condition 3</i>	The individual applies to the Fund trustees for a serious ill-health pension.
<i>Condition 4</i>	The health condition prevents the individual from doing any gainful work.
<i>Condition 5</i>	The health condition is expected to be permanent and to continue to prevent the individual from doing gainful work.
<i>Condition 6</i>	The application is accompanied by evidence that a doctor is satisfied that conditions 4 and 5 are met.

Ordinary ill-health pension

48 An individual is entitled to an ordinary ill-health pension if the Fund trustees are satisfied that the following conditions are met—

<i>Condition 1</i>	The individual resigns as or otherwise stops being an MSP or, as the case may be, the holder of a pensionable office as a direct consequence of a health condition.
<i>Condition 2</i>	At that time, the individual would be entitled to a scheme pension but for the fact that the individual is not yet 65 years old.

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<i>Condition 3</i>	The individual applies to the Fund trustees for an ordinary ill-health pension.
<i>Condition 4</i>	The health condition— (a) prevents the individual from adequately performing the duties of an MSP or, as the case may be, the holder of a pensionable office, but (b) does not prevent the individual from doing other gainful work.
<i>Condition 5</i>	The health condition is expected to be permanent and to continue to prevent the individual from adequately performing the duties mentioned in condition 4(a).
<i>Condition 6</i>	The application is accompanied by evidence that a doctor is satisfied that conditions 4(a) and 5 are met.

Deferred pensioner's ill-health pension

49 A deferred pensioner is entitled to a deferred pensioner's ill-health pension if the Fund trustees are satisfied that the following conditions are met—

<i>Condition 1</i>	The deferred pensioner applies to the Fund trustees for a deferred pensioner's ill-health pension.
<i>Condition 2</i>	The deferred pensioner is under 65.
<i>Condition 3</i>	The deferred pensioner has stopped doing gainful work as a direct consequence of a health condition.
<i>Condition 4</i>	At the time of stopping work the deferred pensioner would be entitled to a scheme pension but for the fact that the deferred pensioner is not yet 65 years old.
<i>Condition 5</i>	The health condition prevents the deferred pensioner from doing gainful work.
<i>Condition 6</i>	The health condition is expected to be permanent and to continue to prevent the deferred pensioner from doing gainful work.
<i>Condition 7</i>	The application is accompanied by evidence that a doctor is satisfied that conditions 4 and 5 are met.

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Amount of serious ill-health pension

- 50 (1) Part F (Pensions) applies with the following modifications to an individual who is entitled to a serious ill-health pension and who has reckonable service as an MSP—
- (a) the individual is to be treated as having been aged 65 on the relevant day,
 - (b) the individual’s reckonable service as an MSP is to be increased by a period equal to the period of reckonable service as an MSP that the individual would obtain if the individual were to be an MSP member from the relevant day until the individual’s 65th birthday,
 - (c) if the individual was a dual mandate MSP on the relevant day (or would have been had he or she been an MSP on that day), that increased period of reckonable service as an MSP is to be reduced by the same proportion as the MSP’s salary was (or would have been) reduced on that day,
 - (d) the individual is to be treated as having made scheme member contributions during that increased period of reckonable service as an MSP at the rate which applied to the individual on the relevant day, and
 - (e) the individual’s reckonable service as an office-holder (if any) is not increased.
- (2) Part F (Pensions) applies with the following modifications to an individual who is entitled to a serious ill-health pension and who has reckonable service as an office-holder only—
- (a) the individual is to be treated as having been aged 65 on the relevant day, and
 - (b) the amount of annual office-holder pension payable to the individual is to be increased by an amount equal to—

$$A \times \frac{B}{C}$$

where—

“A” is the annual salary payable to an MSP by virtue of section 81(1) of the Scotland Act on the relevant day,

“B” is the period of reckonable service as an office-holder that the individual would have obtained if the individual had continued to hold a pensionable office from the relevant day until the individual’s 65th birthday, and

“C” is—

- (i) if higher rate scheme member contributions were being made on the relevant day, 40,
- (ii) if lower rate scheme member contributions were being made on the relevant day, 50.

- (3) In this rule, “relevant day” means the day on which the individual resigned as or otherwise stopped being, an MSP or, as the case may be, the holder of a pensionable office.

Amount of ordinary ill-health pension

- 51 Rule 37 applies to an individual who is entitled to an ordinary ill-health pension as if the individual reached the age of 65 on the day on which the individual resigned as or otherwise stopped being an MSP or, as the case may be, the holder of a pensionable office.

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Amount of deferred pensioner's ill-health pension

- 52 Rule 37 applies to an individual who is entitled to a deferred pensioner's ill-health pension as if the individual reached the age of 65 on the day on which the application for the pension was made.

Review of ill-health pension entitlements

- 53 (1) The Fund trustees may review an individual's entitlement to an ill-health pension at any time before the individual reaches the age of 65 (and may carry out such a review at regular intervals determined by them).
- (2) The Fund trustees may require an individual whose entitlement is being reviewed to provide evidence from a doctor on the individual's state of health.
- (3) The Fund trustees may, if satisfied following a review that the individual's state of health no longer prevents the individual from doing gainful work, determine that the individual—
- (a) is no longer to be entitled to a ill-health pension, or
 - (b) is to be entitled to an ordinary ill-health pension instead of a serious ill-health pension (where they remain satisfied that the individual's state of health still prevents the individual from adequately performing the duties of an MSP or a holder of a pensionable office).
- (4) The Fund trustees may determine that an individual who refuses to be examined in accordance with rule 54, or who otherwise fails to co-operate with a review, is no longer to be entitled to an ill-health pension.
- (5) If the Fund trustees make a determination under this rule—
- (a) pension payments are to stop or, as the case may be, be reduced from the date of the determination, and
 - (b) the scheme is to operate in relation to the individual from then onwards as if the individual had not been entitled to an ill-health pension or, as the case may be, to a serious ill-health pension.

Medical examinations

- 54 (1) The Fund trustees may require—
- (a) an applicant for an ill-health pension, or
 - (b) an individual whose entitlement to an ill-health pension is being reviewed, to be examined by a doctor nominated by them.
- (2) The cost of any doctor's examination is to be borne by the Fund trustees or the examinee (as the Fund trustees may determine).

Ill-health lump sums: life expectancy of less than one year

- 55 (1) An individual is entitled to be paid a lump sum (an "ill-health lump sum") instead of a scheme pension if the following conditions are met—

Condition 1

The individual applies to the Fund trustees for an ill-health lump-sum.

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| <i>Condition 2</i> | The individual is neither an MSP nor the holder of a pensionable office. |
| <i>Condition 3</i> | The individual has reckonable service as an MSP or as an office-holder. |
| <i>Condition 4</i> | The Fund trustees are otherwise satisfied that, if paid, the ill-health lump sum will be a “serious ill-health lump sum” for the purposes of Part 1 of Schedule 29 to the Finance Act 2004 (c. 12). |
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- (2) An ill-health lump sum is to be equal to 5 times the annual scheme pension—
- (a) in the case of an applicant aged 65 or over, which would otherwise be payable to the individual,
 - (b) in the case of an applicant aged under 65, which would be payable if the individual became entitled to a serious ill-health pension from the day on which the ill-health lump sum is payable.
- (3) Payment of an ill-health lump sum extinguishes all the recipient’s rights to receive scheme benefits.