

SCHEDULES

SCHEDULE 4

Section 9.

PENSIONS

Interpretation

1 (1) In this Schedule—

“Authority pension scheme” means any pension scheme maintained by the Authority under paragraph 7(2)(b) of Schedule 1 to the Atomic Energy Authority Act 1954;

“participant”, in relation to a pension scheme, means a person to whom pension rights are accruing under the scheme by virtue of his employment in a class or description of employment to which the scheme relates, and cognate expressions shall be construed accordingly.

- (2) Any reference in this Schedule to a transfer scheme includes a reference to a modification agreement as defined in paragraph 8(7) of Schedule 1 to this Act.

Application of Authority pension schemes to employees of publicly owned successor companies

2 (1) Subject to sub-paragraphs (2) and (4) below—

- (a) no person who in consequence of a transfer scheme becomes an employee of a successor company (in this paragraph referred to as a “transferred employee”) and who immediately before the coming into force of the transfer scheme is a participant in an Authority pension scheme, shall cease to be a participant in that scheme by reason only that he has ceased to be employed by the Authority, and
- (b) no transferred employee who immediately before the coming into force of the transfer scheme is not a participant in such a pension scheme, but—
- (i) is eligible to become such a participant, or
- (ii) would have become eligible to become such a participant on attaining an age or fulfilling a condition specified in the scheme,
- shall be precluded from being or, as the case requires, becoming eligible for participation in that scheme by reason only that he has ceased to be employed by the Authority.

- (2) A transferred employee shall not by virtue of sub-paragraph (1) above be entitled to participate in an Authority pension scheme at any time after he has with his agreement become a participant—

- (a) in a pension scheme maintained by the successor company of which he became an employee, or
- (b) by virtue of his employment by that successor company, in a pension scheme maintained by any other person.

Status: This is the original version (as it was originally enacted).

- (3) An Authority pension scheme may apply to persons, other than transferred employees, who are employed by any publicly owned successor company, as well as to—
- (a) transferred employees to whom the scheme is applicable by virtue of sub-paragraph (1) above, and
 - (b) persons to whom the scheme is applicable apart from the provisions of this Schedule.
- (4) Where a successor company ceases to be publicly owned, no person employed by the company shall, from the time when it so ceases, be entitled to participate in any Authority pension scheme by virtue of his employment with the company.

Power of Secretary of State to require amendment of schemes

- 3 (1) The Secretary of State may direct the Authority to make such amendments of any Authority pension scheme as may be specified in the direction for any of the following purposes—
- (a) for providing that, in the case of any director or other officer of a publicly owned successor company who, immediately before he becomes such a director or other officer—
 - (i) is a participant in an Authority pension scheme, or
 - (ii) is not such a participant, but was or would have become eligible as mentioned in paragraph 2(1)(b)(i) or (ii) above,
 the provisions of any Authority pension scheme having effect in relation to employees of the successor company shall have effect with such modifications as may be specified,
 - (b) for requiring or enabling funds to be transferred under an Authority scheme in cases where, by virtue of paragraph 2(4) above or on becoming in consequence of a transfer scheme employees of a person other than the Authority or a successor company, persons cease to be included in an Authority pension scheme and for prescribing the method of calculating the amounts to be transferred and the assumptions to be used in calculating those amounts, and
 - (c) for giving effect to paragraph 2 above.
- (2) A direction under this paragraph may require the Authority to make such supplemental, consequential and transitional provision amending any Authority pension scheme as the Secretary of State considers appropriate.
- (3) It shall be the duty of the Secretary of State, before giving a direction under this paragraph, to consult the Authority, the Treasury and persons appearing to him to represent the employees of the Authority likely to be affected by the direction.
- (4) No direction under this paragraph affecting employees of a successor company may be given after that company has ceased to be publicly owned.
- (5) Sub-paragraphs (1) to (4) above shall be without prejudice to the power of the Secretary of State to give directions under section 3 of the Atomic Energy Authority Act 1954.

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

Payments to Authority by successor companies

- 4 In respect of—
- (a) any payments falling to be made by the Authority in consequence of the participation by virtue of paragraph 2 or 3 above in an Authority pension scheme of persons employed by any successor company or of directors or other officers of such a company, or
 - (b) the accruing liability of the Authority for any such payments,
- the company shall pay to the Authority such sums as may be agreed between the company and the Authority or as, in default of such agreement, the Secretary of State may direct.

Establishment of pension scheme by successor company

- 5 Except with the consent of the Secretary of State, a publicly owned successor company shall not—
- (a) establish or maintain any pension scheme, or
 - (b) enter into any arrangement under which employees of the company become eligible to participate, by reference to their employment with the company, in a pension scheme maintained by any other person.

Duties owed where employee transferred by scheme

- 6 (1) Before the coming into force of any transfer scheme in consequence of which any employee of the Authority is to become the employee of a person (“the transferee”) other than the Authority or a company which will, by virtue of that transfer scheme, be a successor company, the Authority shall, after such consultation as is required by sub-paragraph (5) below, satisfy themselves—
- (a) that every person to whom the duty imposed by this sub-paragraph is owed will be afforded, and will be entitled to exercise (or, in a case falling within sub-paragraph (2)(b)(ii) below, entitled on attaining the age or fulfilling the condition to exercise), an option of becoming—
 - (i) a participant in a pension scheme maintained by the transferee, or
 - (ii) by virtue of his employment by the transferee, a participant in a pension scheme maintained by any other person, and
 - (b) that in his case the provisions of that scheme (taken as a whole) confer benefits which, taking into account other benefits which he will obtain as a result of his employment by the transferee, are no less favourable than the benefits conferred by the provisions, as in force immediately before the coming into force of the transfer scheme, of the Authority pension scheme in which he is then or, as the case requires, would be entitled to become, a participant.
- (2) The duty imposed by sub-paragraph (1) above shall be owed to every transferred employee who—
- (a) is for the time being a participant in an Authority pension scheme, or
 - (b) is not for the time being such a participant but—
 - (i) is eligible to participate in an Authority pension scheme, or
 - (ii) would become eligible to participate in such a scheme on attaining an age or fulfilling a condition specified in the scheme.

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

- (3) In sub-paragraph (2) above a “transferred employee”, in relation to any transfer scheme, means any person who, in consequence of the scheme, becomes an employee of the transferee.
- (4) In relation to any transfer scheme made by the Secretary of State by virtue of section 2(3) of this Act, the duty under sub-paragraph (1) above is owed by the Secretary of State instead of the Authority.
- (5) The consultation required by this sub-paragraph is—
 - (a) in a case where the duty under sub-paragraph (1) above is owed by the Authority, consultation with the Secretary of State, the Treasury and persons appearing to the Authority to represent transferred employees, and
 - (b) in a case where that duty is owed by the Secretary of State, consultation with the Authority, the Treasury and persons appearing to the Secretary of State to represent transferred employees.
- (6) Nothing in this paragraph shall be regarded as limiting the powers of the Authority or the Secretary of State in relation to the making of transfer schemes.

Duties owed where successor company ceases to be publicly owned

- 7 (1) Before a successor company ceases to be publicly owned, the relevant owner shall, after such consultation as is required by sub-paragraph (4) below, satisfy himself—
 - (a) that every person to whom the duty imposed by this sub-paragraph is owed will be afforded, and will be entitled to exercise (or, in a case falling within sub-paragraph (3)(b)(ii) below, entitled on attaining the age or fulfilling the condition to exercise), an option of becoming—
 - (i) a participant in a pension scheme maintained by the successor company, or
 - (ii) by virtue of his employment by that successor company, a participant in a pension scheme maintained by any other person, and
 - (b) that in his case the provisions of that scheme (taken as a whole) confer benefits which, taking into account other benefits which he will obtain as a result of his employment by the successor company, are no less favourable than the benefits conferred by the provisions, as in force immediately before the company ceases to be publicly owned, of the Authority pension scheme in which he is then or, as the case requires, would be entitled to become, a participant.
- (2) In sub-paragraph (1) above, “the relevant owner” means—
 - (a) in relation to a company wholly owned by the Crown, the Secretary of State, and
 - (b) in relation to a wholly-owned subsidiary of the Authority, the Authority.
- (3) The duty imposed by sub-paragraph (1) above shall be owed to every person employed by the successor company immediately before it ceases to be publicly owned who—
 - (a) is for the time being a participant in an Authority pension scheme, or
 - (b) is not for the time being such a participant but—
 - (i) is eligible to participate in an Authority pension scheme, or
 - (ii) would become eligible to participate in such a scheme on attaining an age or fulfilling a condition specified in the scheme.

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

- (4) The consultation required by this sub-paragraph is—
- (a) in a case where the company is wholly owned by the Crown, consultation with the Authority, the Treasury and persons appearing to the Secretary of State to represent employees of the company, and
 - (b) in a case where the company is a wholly-owned subsidiary of the Authority, consultation with the Secretary of State, the Treasury and persons appearing to the Authority to represent employees of the company.
- (5) Nothing in this paragraph shall be regarded as limiting the powers of the Authority, the Treasury or the Secretary of State to dispose of any securities of a successor company.