
Changes to legislation: There are currently no known outstanding effects for the Pensions Act 2011, Cross Heading: Pension credit members. (See end of Document for details)

SCHEDULES

SCHEDULE 4

PENSION PROTECTION FUND

Pension credit members

- 19 (1) Schedule 7 to the Pensions Act 2004 (pension compensation provisions) is amended as follows.
- (2) For paragraph 21 (pension credit members under normal benefit age at assessment date) substitute—
- “21 (1) This paragraph applies to a person who—
- (a) is a pension credit member of the scheme immediately before the assessment date, but
 - (b) has not attained normal benefit age before that date.
- (2) But it applies only to the extent that the member's pension credit rights do not involve the member being credited by the scheme with notional pensionable service.
- (3) Paragraphs 15, 18 and 19 apply to the pension credit member as they apply to a deferred member who has not attained normal pension age before the assessment date, subject to the following modifications.
- (4) In paragraph 15—
- (a) in sub-paragraphs (1) and (2) the references to normal pension age are to be read as references to normal benefit age,
 - (b) in sub-paragraph (4) for the words from “the aggregate of” to the end substitute “the accrued amount”, and
 - (c) for sub-paragraph (5) substitute—
- “(5) In sub-paragraph (4) “the accrued amount” means an amount equal to the initial annual rate of the pension to which the deferred member would have been entitled in accordance with the admissible rules had the member attained normal benefit age on the transfer day.”
- (5) In paragraph 18—
- (a) for sub-paragraph (1)(b) substitute—
- “(b) the pension was attributable (directly or indirectly) to a pension credit to which the deferred member became entitled under section 29(1)(b) of the Welfare Reform and Pensions Act 1999.”, and
- (b) in sub-paragraph (3) the references to normal pension age are to be read as references to normal benefit age.

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- (6) In paragraph 19—
- (a) in sub-paragraphs (1) and (2) the references to normal pension age are to be read as references to normal benefit age,
 - (b) in sub-paragraph (4) for the words from “the aggregate of” to the end substitute “ the accrued amount ”,
 - (c) for sub-paragraph (5) substitute—
 - “(5) In sub-paragraph (4) “the accrued amount” means an amount equal to the amount of the scheme lump sum to which the deferred member would have been entitled in accordance with the admissible rules had the member attained normal benefit age on the transfer day.”, and
 - (d) omit sub-paragraph (6).
- (7) In this paragraph “transfer day” has the meaning given by section 29 of the Welfare Reform and Pensions Act 1999 (creation of pension debits and credits).
- 21A(1) This paragraph applies to a person who—
- (a) is a pension credit member of the scheme immediately before the assessment date, but
 - (b) has not attained normal benefit age before that date.
- (2) But it applies only to the extent that the member's pension credit rights involve the member being credited by the scheme with notional pensionable service.
- (3) Paragraphs 15 to 19 apply to the pension credit member as they apply to a deferred member who has not attained normal pension age before the assessment date, subject to the following modifications.
- (4) In paragraph 15—
- (a) in sub-paragraphs (1) and (2) the references to normal pension age are to be read as references to normal benefit age, and
 - (b) for sub-paragraph (5) substitute—
 - “(5) In sub-paragraph (4) “the accrued amount” means an amount equal to the initial annual rate of the pension to which the deferred member would have been entitled in accordance with the admissible rules had the member attained normal benefit age on the transfer day.”
- (5) In paragraph 16(2)(a) for the words from “day after” to “ended” substitute “ transfer day ”.
- (6) In paragraph 17(2)(b) the reference to normal pension age is to be read as a reference to normal benefit age.
- (7) In paragraph 18—
- (a) for sub-paragraph (1)(b) substitute—
 - “(b) the pension was attributable (directly or indirectly) to a pension credit to which the deferred member became entitled under section 29(1)(b) of the Welfare Reform and Pensions Act 1999.”, and

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- (b) in sub-paragraph (3) the references to normal pension age are to be read as references to normal benefit age.
- (8) In paragraph 19—
- (a) in sub-paragraphs (1) and (2) the references to normal pension age are to be read as references to normal benefit age, and
 - (b) for sub-paragraph (5) substitute—
 - “(5) In sub-paragraph (4) “the accrued amount” means an amount equal to the amount of the scheme lump sum to which the deferred member would have been entitled in accordance with the admissible rules had the member attained normal benefit age on the transfer day.”
- (9) In this paragraph “transfer day” has the meaning given by section 29 of the Welfare Reform and Pensions Act 1999 (creation of pension debits and credits).”
- (3) In each of the following after “21” insert “ or 21A ”
- (a) paragraph 25(1) (early payment of compensation),
 - (b) paragraph 25(3) (as amended by paragraph 12 of Schedule 8 to the Pensions Act 2008),
 - (c) in paragraph 25B(4) (terminal illness lump sum) paragraph (b) of the definition of “relevant age”, and
 - (d) paragraph 28(8)(c) (annual increase in periodic compensation).
- (4) In paragraph 36(5)(a) (meaning of “pensionable service”) after “credit” insert “ (except for the purposes of paragraphs 21 and 21A) ”.

Commencement Information

11 Sch. 4 para. 19 in force at 3.1.2012 by S.I. 2011/3034, art. 3(i)(iv)

20 In the Pensions Act 2008 omit paragraphs 10 and 11 of Schedule 8 (which amend paragraph 21 of Schedule 7 to the Pensions Act 2004).

Commencement Information

12 Sch. 4 para. 20 in force at 3.1.2012 by S.I. 2011/3034, art. 3(i)(iv)

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