

SCHEDULE 2

BENEFIT LIMITS

PART II

retirement pensions

6. The annual rate of a participator's retirement pension under these Regulations must not be such as to cause his total retirement benefits to exceed the permitted amount.

7.—(1) If the participator retires on his 60th birthday, the permitted amount is the greater of E and F, where—

(E) is 1/60th of his final remuneration for each of up to 40 years of relevant employment, and

(F) is the lesser of G and H.

(2) In sub-paragraph (1)—

(G) is 1/30th of his final remuneration for each of up to 20 years of relevant employment, and

(H) is 2/3rds of his final remuneration less any retained benefits.

8. If the participator retires on a date later than his 60th birthday, the permitted amount is the greatest of J, K and, where applicable, L, where—

(J) is an amount calculated in accordance with paragraph 7 as at that date,

(K) is an amount calculated in accordance with paragraph 7 as at his 60th birthday increased, up to that date, either actuarially or in proportion to any increase in the Index, and

(L) is, in the case of a participator with more than 40 years of relevant employment, 1/60th of his final remuneration for each of up to 45 years of relevant employment, excluding any years before his 60th birthday in excess of 40.

9.—(1) If the participator retires after having, before his 60th birthday, ceased to be in relevant employment, the permitted amount is the greater of (M+R) and

$$\left(\frac{N}{P} \times Q + R \right),$$

where—

M is 1/60th of his final remuneration for each of up to 40 years of relevant employment,

N is the number of years on which M is calculated,

P is the number of years on which M would have been calculated if he had continued in relevant employment up to his 60th birthday,

Q is an amount calculated in accordance with paragraph 7 as at his 60th birthday, and

R is the appropriate increase.

(2) For the purposes of sub-paragraph (1) the appropriate increase is an increase in the amount in question, either—

(a) in proportion to any increase in the Index, or

(b) if greater, at 5 per cent compound,

from the cessation of relevant employment to the date on which the pension commenced.