

SCHEDULE 4

adjustment on account of new employment

Regulation 14(2)

PART II

REDUCTION OF ANNUAL COMPENSATION ON CESSATION OF NEW EMPLOYMENT

3. The annual compensation of a designated teacher to whom regulation 14 applies shall be reduced as described in this Part of this Schedule.

4. The annual compensation shall be reduced by—

$$\frac{A}{80} \times B,$$

where—

A is the shortest of C, D or E; and

B is the smaller of his pensionable salary and the amount specified in paragraph 6.

5. For the purposes of paragraph 4—

C is the additional period of service with which he is credited under regulation 4,

D is, in relation to his new employment, the period he is entitled, or would be entitled if it had been reckonable service (excluded employment), to count as reckonable service; and

E is the period of excess calculated in accordance with regulation 14(2).

6. The amount is—

$$F - \frac{F \times G}{G + 100}$$

where—

F is the pensionable salary in his new employment; and

G is the amount by which an official pension within the meaning of the 1971 Act would, by the day after the cessation of the new employment, have increased if it had begun, and first qualified for increases under that Act, on the day after the material date and had then been payable at an annual rate of £100.

7.—(1) In addition to the reduction calculated in accordance with paragraph 4, the annual compensation shall be reduced by three times the reduction under paragraph 4 and payment of instalments of annual compensation shall be suspended until the reduction required by this paragraph has been achieved.

(2) For the purposes of sub-paragraph (1), “annual compensation” means the annual compensation payable to the designated teacher after reduction under paragraph 4.