
STATUTORY INSTRUMENTS

1999 No. 1082

**CONSTITUTIONAL LAW
DEVOLUTION, SCOTLAND**

**The Scotland Act 1998 (Transitory and Transitional Provisions)
(Scottish Parliamentary Pension Scheme) Order 1999**

<i>Made</i>	- - - -	<i>29th March 1999</i>
<i>Laid before Parliament</i>		<i>12th April 1999</i>
<i>Coming into force</i>	- -	<i>6th May 1999</i>

The Secretary of State, in exercise of the powers conferred on him by sections 112(1), 113, 114(1) and 129(1) of the Scotland Act 1998(1) and of all other powers enabling him in that behalf, hereby makes the following Order:

**PART A
PRELIMINARY**

Citation and commencement

1. This Order may be cited as the Scotland Act 1998 (Transitory and Transitional Provisions) (Scottish Parliamentary Pension Scheme) Order 1999 and shall come into force on 6th May 1999.

Interpretation

2.—(1) In this Order—

“the Taxes Act 1988” means the Income and Corporation Taxes Act 1988(2);

“actual period of reckonable service as a participating member”, “actual period of reckonable service as a participating office holder” and “actual period of reckonable service as a participant” have the meanings given in article E1;

(1) 1998 c. 46.
(2) 1988 c. 1.

“added year” means a period of reckonable service as a participating member purchased under article Q1 and Schedule 5, including a part of a year expressed in days and any future added year;

“aggregate period of reckonable service as a participating member”, “aggregate period of reckonable service as a participating office holder” and “aggregate period of reckonable service as a participant” have the meanings given in article E2;

“appropriate personal pension scheme” means a personal pension scheme which is for the time being specified in an appropriate scheme certificate issued by the Secretary of State under regulations made under section 7 of the Pension Schemes Act 1993⁽³⁾;

“the AVC Scheme” means that part of the Scheme providing for additional voluntary contributions as set out in Part R and Schedule 6;

“basic or prospective pension or pensions” has the meaning given in article K5;

“contracted-out rights”, in relation to a participant, mean his section 9(2B) rights, as defined in regulation 1(2) of the Occupational Pension Schemes (Contracting-out) Regulations 1996⁽⁴⁾;

“contracted-out scheme” means an occupational pension scheme which is for the time being specified in a contracting-out certificate issued by the Secretary of State under regulations made under section 7 of the Pension Schemes Act 1993;

“contribution”, (except in the expression “contributions equivalent premium”), means any amount deducted from salary and paid into the Fund under article D1 and any reference to the payment of a contribution shall be construed accordingly;

“contributions equivalent premium” means a premium payable under section 55(2) of the Pension Schemes Act 1993;

“deferred pensioner” means a person who—

- (a) having been but having ceased to be a participant; and
- (b) having accrued rights to a pension from the Fund,

is not, or was not at his death, yet entitled to receive a pension from the Fund;

“effective resolution” means a resolution of the Parliament relating to the remuneration of members which is not framed as an expression of opinion, and where there are at any time two or more such resolutions in force they shall be read together;

“election” includes notification under section 10(3) of the Scotland Act 1998, and “elected” shall be construed accordingly;

“eligible child” has the meaning given in article K2(5);

“final salary” shall be construed in accordance with article F3(2);

“fraction of a year” means part of a year of reckonable service expressed as the proportion borne by the number of days in that part to 365, and “fraction of an added year” shall be construed accordingly;

“the Fund” means the Scottish Parliamentary Contributory Pension Fund established under the Scheme;

“interest” (where the reference is to the payment of any sum with interest) means compound interest at the rate of four per cent per annum, calculated with annual rests;

“a member’s salary” means the annual salary of a member of the Parliament at the rate specified in or determined under the Scotland Act 1998 (Transitory and Transitional Provisions)

(3) 1993 c. 48.

(4) S.I. 1996/1172; the definition of “section 9(2B) rights” was substituted by S.I. 1997/786, Schedule 1, paragraph 4(2).

(Salaries and Allowances) Order 1999⁽⁵⁾, or by or under an Act of the Scottish Parliament or an effective resolution which is for the time being in force;

“normal retirement date” means the date on which a participant reaches the age of 65;

“office holder” has the meaning given in article C2(3);

“office holder’s salary” means the annual salary payable to a person in respect of his tenure of a qualifying office;

“opted-out member” has the meaning given in article C3(4);

“opted-out office holder” has the meaning given in article C4(4);

“overseas fund or scheme” means a fund or scheme which is established outside the United Kingdom and wholly or primarily administered outside the United Kingdom;

“participant” means a person making contributions to the Fund, and may be either a participating member or a participating office holder or both a participating member and a participating office holder;

“participating member” means a person making contributions to the Fund deducted from his member’s salary (or who is excused from making such contributions because his aggregate period of reckonable service exceeds that which would give rise to the maximum pension allowed in respect of him under the Scheme);

“participating office holder” means a person making contributions to the Fund deducted from his office holder’s salary;

“pension” does not include an allowance or gratuity;

“pensioner” means a person entitled to receive a pension from the Fund, and may be either a pensioner member or a pensioner office holder or both a pensioner member and a pensioner office holder;

“pensioner member” means a person entitled to receive a pension from the Fund (including an early retirement pension or an ill-health pension) in respect of his service as a member of the Parliament;

“pensioner office holder” means a person entitled to receive a pension from the Fund (including an early retirement pension or an ill-health pension) in respect of his service as an office holder;

“period of tenure of a qualifying office” has the meaning given in article C2(2);

“permitted maximum” for any tax year means the figure specified for that tax year in an order made under section 590C of the Taxes Act 1988⁽⁶⁾;

“qualifying office” has the meaning given in article C2(3);

“relevant date” means the relevant date for the determination under any provision of the Scheme of the pension of a person;

“the Scheme” means the pension scheme constituted by this Order;

“tax year” means a year beginning on the 6th April in any year and ending on the following 5th April;

(2) In this Order, except where the context otherwise requires—

- (a) a reference to a numbered article or Schedule is a reference to the article of, or the Schedule to, this Order so numbered; and
- (b) a reference in an article or Schedule to a numbered paragraph is a reference to the paragraph of that article or Schedule so numbered.

⁽⁵⁾ S.I. 1999/1097.

⁽⁶⁾ Section 590C was inserted by the Finance Act 1989 (c. 26), Schedule 6, paragraphs 4 and 18(2).

Period of application of this Order

A3. This Order shall apply until the coming into force of provision for the payment of pensions made by the Parliament in accordance with section 81(3) of the Scotland Act 1998.

PART B

ESTABLISHMENT AND ADMINISTRATION OF FUND

Establishment of Fund

B1. A fund, to be known as the Scottish Parliamentary Contributory Pension Fund, shall be established for the purposes of the Scheme and shall be vested in and administered by the Parliamentary corporation.

Administration of Fund

B2.—(1) The provisions of Schedule 1 shall have effect with respect to the administration of the Fund by the Parliamentary corporation and the management and application of the assets of the Fund.

(2) Subject to paragraph (3), all pensions and other sums payable under the Scheme by the Parliamentary corporation, including contributions equivalent premiums payable in respect of former participants, shall be paid out of the Fund, and all sums received by the Parliamentary corporation under the Scheme shall be paid into the Fund.

(3) Paragraph (2) shall not apply in respect of—

- (a) benefits payable and AVC contributions received under Part R;
- (b) benefits payable under Part S.

(4) Section 21(6) of the Scotland Act 1998 shall not apply to any sums payable by the Parliamentary corporation under paragraph (2).

PART C

MEMBERSHIP

Membership for members of the Parliament

C1. Any person serving as a member of the Parliament shall be a participating member in the Scheme unless he has exercised an option under article C3.

Membership for office holders

C2.—(1) An office holder who—

- (a) has not at any time held the office of First Minister;
- (b) has not exercised an option under article C4; and
- (c) is either—
 - (i) a participating member; or
 - (ii) being either the Lord Advocate or Solicitor General for Scotland, not a member of the Parliament,

shall be a participating office holder in the Scheme in respect of any period of tenure of a qualifying office.

(2) In this Order “period of tenure of a qualifying office” means any continuous period for which a person is—

- (a) the holder of one and the same qualifying office; or
- (b) the holder successively of two or more qualifying offices in respect of which the same salary is payable.

(3) In this Order “qualifying office” means any of the following offices—

- (a) any member of the Scottish Executive, except the First Minister;
- (b) any of the Junior Scottish Ministers;
- (c) Deputy Presiding Officer;
- (d) Leader of a Non-Executive Party;
- (e) Chief Business Manager of a qualifying party;

and “office holder” means the holder of a qualifying office.

(4) For the purposes of paragraph (3)—

“Chief Business Manager” means, in relation to a qualifying party, the member of the Parliament from time to time nominated as such for the purposes of this Order by the Leader of that party;

“Leader” means, in relation to a qualifying party, the member of the Parliament who is for the time being the leader in the Parliament of that party;

“Non-Executive Party” means a qualifying party, other than any such party with which any member of the Parliament who is also a member of the Scottish Executive or a junior Scottish Minister is connected;

“qualifying party” means a registered party with which at least 10 members of the parliament are connected.

Right to opt out for members of the Parliament

C3.—(1) A participating member may exercise an option in writing under this article not to be a participant in the Scheme.

(2) Subject to paragraph (3), the effective opt-out date in respect of a member is whatever date the Parliamentary corporation shall determine to be the earliest practicable date after that on which it receives from him written notice of the exercise of the option.

(3) If the Parliamentary corporation receives the written notice not more than three months after the date of the election at which the person was elected for the first time to membership of the Parliament, the effective opt-out date is the date of that election and any contributions deducted from him under article D1 since that election shall be repaid to him.

(4) A member of the Parliament who has exercised his right under paragraph (1) to opt out of the Scheme is referred to in this Order as “an opted-out member”.

Right to opt out for office holders

C4.—(1) An office holder who is a participating member or who is not a member of the Parliament may exercise an option in writing under this article not to be a participating office holder in the Scheme.

(2) Subject to paragraph (3), the effective opt-out date in respect of an office holder is whatever date the Parliamentary corporation shall determine to be the earliest practicable date after that on which it receives from him written notice of the exercise of the option.

(3) If the Parliamentary corporation receives the written notice not more than 12 months after the date of commencement of a period of tenure of a qualifying office, the effective opt-out date is the date on which that period of tenure commenced and any contributions deducted under article D1 from his office holder's salary in respect of that period of tenure shall be repaid to him.

(4) An office holder who has exercised an option under paragraph (1) not to be a participating office holder or who has exercised the option under article C3(1) is referred to in this Order as "an opted-out office holder".

Right to opt in for members of the Parliament

C5. An opted-out member may apply to rejoin the Scheme as a participating member as from the date of any election at which he was elected to membership of the Parliament ("the effective opt-in date") by giving notice in writing to the Parliamentary corporation within a period of three months beginning with the effective opt-in date:

Provided that—

- (a) he pays to the Parliamentary corporation within 28 days of its acceptance of his application, or within such longer period as it may determine, the sum certified by it as being the amount which would have been deducted from his member's salary under article D1 between the effective opt-in date and the first date thereafter when a deduction from that salary under article D1 is made; and
- (b) at the effective opt-in date, at least three months had elapsed since he was last elected to membership of the Parliament.

Right to opt in for office holders

C6. An opted-out office holder who is either—

- (a) a participating member; or
- (b) not a member of the Parliament,

may apply to rejoin the Scheme as a participating office holder as from the date of commencement of a new period of tenure of a qualifying office ("the effective opt-in date") by giving notice in writing to the Parliamentary corporation within a period of 12 months beginning with the effective opt-in date provided that he pays to the Parliamentary corporation within 28 days of its acceptance of his application, or within such longer period as it may determine, the sum certified by the Parliamentary corporation as being the amount which would have been deducted from his office holder's salary under article D1 between the effective opt-in date and the first date thereafter when a deduction from that salary under article D1 is made.

PART D

CONTRIBUTIONS

Contributions by participants

D1.—(1) Subject to paragraph (3) and article D3, there shall be deducted from each payment in respect of salary made to a participant 6% of that payment; and all sums so deducted shall be paid into the Fund.

(2) In this article, “salary” means—

- (a) in the case of a participating member who is not a participating office holder, his member’s salary;
- (b) in the case of a participating office holder who is not a participating member, his office holder’s salary; and
- (c) in the case of a participant who is both a participating member and a participating office holder, his member’s salary and his office holder’s salary.

(3) Where a person’s aggregate period of reckonable service as a participating member exceeds that which would give rise to the maximum pension allowed in respect of that person as a participating member under article F4 or F5, no deduction shall be made under this article from payments in respect of his member’s salary.

(4) If any salary from which a deduction is required to be made under this article is not drawn, there shall be set aside, out of moneys available for the payment, a sum equal to the relevant deduction; and any sum so set aside shall be paid into the Fund.

Earnings cap

D2. Where the annual salary of a participating member as—

- (a) a member of the Parliament;
- (b) an office holder; or
- (c) both a member of the Parliament and an office holder,

exceeds the permitted maximum, the contributions deducted from that annual salary shall be limited to 6% of that permitted maximum and where sub-paragraph (c) applies his contributions under article D1 in respect of his office holder’s salary shall be reduced before his contributions under that article in respect of his member’s salary.

Contributions from Scottish Consolidated Fund

D3.—(1) In respect of each financial year the Parliamentary corporation shall pay a contribution into the Fund out of the Scottish Consolidated Fund.

(2) The amount of that contribution shall be determined from time to time by the Parliamentary corporation on the recommendation of the Government Actuary and shall be expressed as a percentage of the amount of the salaries, attributable to the financial year in question, of the persons described in article C1 or C2, in respect of which those persons contribute to the Fund in relation to that financial year.

PART E

RECKONABLE SERVICE

Actual reckonable service

E1.—(1) Subject to articles N1 (refunds) and P1, P2 and P3 (transfers out) in relation to any person any period during which he was a member of the Parliament and has made contributions to the Fund is a period of reckonable service as a participating member; and in this Order “actual period of reckonable service as a participating member”, in relation to a person, means the period referred to in this paragraph or (if more than one) the aggregate of such periods.

(2) Subject to articles F5(3) (payment to office holder after normal retirement), N1 (refunds), P1, P2 and P3 (transfers out), any period during which a person is a participating office holder is a period of reckonable service as a participating office holder; and in this Order “actual period of reckonable service as a participating office holder”, in respect of a person, means his period (or, if more than one, the aggregate of his periods) of reckonable service as a participating office holder.

(3) In this Order “actual period of reckonable service as a participant”, in respect of a person, means the total of whichever of the following apply to him, namely:—

- (a) his actual period of reckonable service as a participating member;
- (b) his actual period of reckonable service as a participating office holder; or
- (c) if (a) and (b) both apply, his actual period of reckonable service as a participating member together with such part, if any, of his actual period of reckonable service as an office holder when he was not also a participating member.

(4) For the purposes of the Scheme, a period of reckonable service is measured in years and fractions of a year.

Aggregate reckonable service

E2.—(1) In respect of a person, his aggregate period of reckonable service as a participating member is his actual period of reckonable service as a participating member together with any increases in reckonable service attributable to sums received by way of transfer value or to the purchase of added years.

(2) In respect of a person, his aggregate period of reckonable service as a participating office holder is his actual period of reckonable service as a participating office holder together with any increase in reckonable service attributable to sums received by way of transfer value.

(3) In respect of a person, his aggregate period of reckonable service as a participant is his actual period of reckonable service as a participant together with any increases in reckonable service attributable to sums received by way of transfer value or to the purchase of added years.

PART F

PENSION ENTITLEMENT

Entitlement of pensioner members

F1.—(1) Subject to the provisions of the Scheme, a person who ceases to be a participating member and who has reckonable service as a participating member under Part E shall be entitled to receive a pension under this article as from the time when the following conditions are fulfilled in respect of him:—

- (a) he is neither a member of the Parliament nor a candidate for election to it;
- (b) he is not an office holder; and
- (c) he has attained the age of 65.

Entitlement of pensioner office holders

F2.—(1) Subject to the provisions of the Scheme, a person who ceases to be a participating office holder and who has reckonable service as a participating office holder under Part E shall be entitled to receive a pension under this article as from the time when the conditions specified in paragraphs (a), (b) and (c) of article F1(1) are fulfilled in respect of him.

(2) A person may be entitled to a pension under both articles F1 and this article; and the amounts of the two pensions shall be cumulative.

Amount payable to pensioners

F3.—(1) Subject to articles F4 (amount payable to “dual mandate” pensioners), F5 (permitted maximum pensions), G1 (commutation), H1 (early retirement) and J1 and J3 (ill health pensions), the annual amount of the pension payable to a person under article F1 or F2 shall be—

$$\frac{\text{his final salary}}{50} \times \text{his aggregate period of reckonable service.}$$

(2) In paragraph (1) the expression “final salary” refers to the person’s final member’s salary or office holder’s salary, as the case may be, and means—

- (a) in relation to a person whose actual period of reckonable service as a participating member or office holder, as the case may be, was 12 months or more, the amount of his member’s or office holder’s salary, as the case may be, for the last 12 months (whether continuous or not) comprised in that actual period of reckonable service; and
- (b) in relation to a person whose actual period of reckonable service as a participating member or office holder, as the case may be, was less than 12 months, his member’s or office holder’s salary, as the case may be, for the period (whether continuous or not) which constituted that actual period of reckonable service multiplied by 365 and divided by the number of days in that period,

and in either case excludes any amount in excess of the permitted maximum.

(3) In paragraph (1) the expression “aggregate period of reckonable service” refers to the person’s aggregate period of reckonable service as a participating member or office holder, as the case may be.

Amount payable to “dual mandate” pensioners

F4.—(1) This article applies to a pensioner who, for part of his actual period of reckonable service as a participant, also received a salary pursuant to a resolution (or combination of resolutions) of either House of Parliament relating to the remuneration of members of that House or under section 1 of the European Parliament (Pay and Pensions) Act 1979(7).

(2) The period mentioned in paragraph (1) is referred to in this article as the pensioner’s “period of dual mandate”.

(3) For the purpose of calculating the annual amount of a pension payable to a pensioner to whom this article applies—

- (a) where his final salary is calculated in accordance with article F3(2) by reference to a period of dual mandate, the pensioner’s aggregate period of reckonable service shall, for the purpose of article F3(1), be multiplied by three in respect of any part of his aggregate period of reckonable service that was not part of his period of dual mandate; and
- (b) where his final salary is calculated in accordance with article F3(2) by reference to an actual period of reckonable service that was not a period of dual mandate, the pensioner’s aggregate period of reckonable service shall, for the purpose of article F3(1), be divided by three in respect of any part of his aggregate period of reckonable service that was a period of dual mandate.

Permitted maximum pensions

F5.—(1) The annual amount of the pension payable under article F1 or F2 shall not exceed whichever is the least of—

- (a) the amount equal to two-thirds of the participant's final salary; or
- (b) such maximum pension as is calculated in respect of that person in accordance with the provisions of Schedule 2; or
- (c) the amount equal to two-thirds of the permitted maximum.

(2) In the case of a person who is entitled to a pension under both articles F1 and F2, the amount of the two pensions together shall not exceed two-thirds of the permitted maximum and, if they do, the pension payable under article F2 shall be reduced before the pension payable under article F1.

Duration of pensions

F6.—(1) Subject to the following provisions of this article, a pension under article F1 or F2 (including an early retirement pension or an ill-health pension by virtue of Part H or J) shall continue for the life of the person to whom it is payable.

(2) Subject to paragraph (3), no such pension shall be payable to a person in respect of any period during which he is a member of the Parliament or a candidate for election to the Parliament, or in respect of any part of a period of tenure of a qualifying office other than a part in respect of which no salary is payable or in respect of which no salary is drawn.

(3) Where, in the case of any person, a pension under article F1 or F2 or a pension under each of those articles would, but for paragraph (2), be payable to him in respect of a period of tenure of a qualifying office during which he is neither a member of the Parliament nor a candidate for election to the Parliament—

- (a) that paragraph shall not apply to that pension or either of those pensions in respect of any part of that period;
- (b) the amount or aggregate amount payable to him in right of that pension or those pensions for any part of that period shall not exceed the amount, if any, by which any office holder's salary payable to him for that part of that period falls short of the amount of a member's salary for that period; and
- (c) if he is a participating office holder in respect of that period then, for the purpose of calculating the amount, if any, which would, apart from sub-paragraph (b) above, be payable to him in right of a pension under article F2 for any part of that period (but not for any other purpose, and in particular not for the purpose of recalculating at the end of that period the annual amount of the pension, if any, to which apart from sub-paragraph (b) above he is entitled under article F2), that period shall be deemed not to be a period of reckonable service as a participating office holder.

(4) For the purposes of this article a person who ceases to be a member in consequence of the dissolution of the Parliament shall be treated as a candidate for election unless and until he gives notice in writing to the Parliamentary corporation that he is not seeking re-election.

(5) This article shall not apply for the purposes of calculating the amounts mentioned in article M2(3) or (4)(b) or the amounts payable under M3(2), M4(2) or M7 (five year guarantee).

PART G

COMMUTATION

Commutation into lump sum

G1.—(1) Any person who is entitled to receive a pension under Part F (including an ill-health pension payable by virtue of Part J) or who applies to receive a pension under Part H may, before the first instalment of the pension is paid, give notice to the Parliamentary corporation that he desires to commute into a lump sum such part of the pension as is specified in the notice.

(2) Where a person has given notice under paragraph (1), the Parliamentary corporation shall determine—

- (a) what lump sum would be actuarially equivalent to the part of the pension specified in the notice; and
- (b) what reduction of the annual amount of his pension would be appropriate in consideration of the payment of that lump sum,

and, subject to the following provisions of this article, a lump sum of the amount so determined shall be paid to that person and the annual amount of his pension shall be reduced accordingly.

(3) Any lump sum or reduction to be determined under paragraph (2) shall be a sum or reduction either certified by the Government Actuary, or calculated in accordance with tables to be prepared from time to time by the Government Actuary, as fulfilling the conditions specified in paragraph (2) (a) or (b), as the case may be.

(4) If, in the case of person who has given notice under paragraph (1), the amount of the lump sum determined in accordance with paragraphs (2) and (3) would exceed the maximum commutable sum—

- (a) the amount of the lump sum so determined shall be diminished by such proportion as is necessary to make it equal to the maximum commutable sum; and
- (b) the reduction of the annual amount of his pension under this article shall be diminished by the like proportion.

(5) For the purposes of paragraph (4), the maximum commutable sum in the case of any person shall be calculated in accordance with Schedule 3 and shall be subject to an overall maximum of one and half times the permitted maximum.

PART H

EARLY RETIREMENT AND EARLY ABATED PENSIONS

Early retirement for members

H1.—(1) Where a person who—

- (a) has ceased to be a member of the Parliament;
- (b) is not the holder of a qualifying office;
- (c) has attained the age of 50; and
- (d) has an actual period of reckonable service as a participating member which amounts to not less than 15 years (hereinafter referred to in respect of a person as his “qualifying period”),

applies in writing to the Parliamentary corporation for an immediate pension under this article then, if the Parliamentary corporation is satisfied that he does not intend to stand for re-election to the

Parliament, he shall be entitled to receive a pension under article F1 as if he had attained the age of 65 on the date of his application or, if later, such other date as may be there specified; but the annual amount of the pension to which he is so entitled, both before and after he attains the age of 65, shall (subject to Part G (commutation)) be an amount calculated in accordance with article F3 and abated in accordance with Schedule 4.

(2) For the purposes of this article service of a person as a member of the European Parliament or as a member of the House of Commons may count towards his qualifying period to the extent that it is not concurrent with service as a member of the Parliament.

Early retirement for office holders who have been members

H2. A person who is entitled to receive a pension under article H1 who is or has been a participating office holder shall (subject to Part G (commutation)) be entitled also to receive a pension under article F2 calculated in accordance with article F3 and abated in accordance with Schedule 4 and payable from the same date as the pension payable under article H1.

PART J

ILL-HEALTH PENSIONS

Ill-health pensions based on service as a participant

J1.—(1) A participant who because of ill-health—

- (a) ceases to be a participating member before attaining the age of 65 years; or
- (b) while not a member of the Parliament but while having a period of reckonable service as a participating member ceases to be a participating office holder before attaining that age,

may apply to the Parliamentary corporation for an early pension under article F1 if at the time when he so ceases (“the material time”) he would have become entitled to receive a pension under that article but for his not having attained the age of 65.

(2) A participant who because of ill-health—

- (a) ceases to be a participating member before attaining the age of 65; or
- (b) while not a member of the Parliament ceases to be a participating office holder before attaining that age,

may apply to the Parliamentary Corporation for an early pension under article F2 if at the time when he so ceases (“the material time”) he would have become entitled to receive a pension under that article but for his not having attained the age of 65.

(3) If on an application under paragraph (1) or (2) the Parliamentary corporation is satisfied—

- (a) so far as is applicable, that the applicant does not intend to seek re-election to the Parliament or to accept any future offer of a qualifying office;
- (b) that his ceasing as mentioned in paragraph (1)(a) or (b) was a direct consequence of his ill-health; and
- (c) that his ill-health is such as would prevent him from performing adequately the duties of a member of the Parliament,

the applicant shall be entitled to receive a pension under article F1 or F2, as the case may be, as from the material time.

(4) A person who, if he were to cease as mentioned in paragraph (1)(a) or (b) or (2)(a) or (b) at a particular time in the future because of ill-health, would become entitled to make an application

under the relevant paragraph, may make such an application before that time, specifying in it the time when he proposes so to cease, and where on such an application the Parliamentary corporation is satisfied that, if the applicant so ceases at the time specified therein, he will be entitled under paragraph (3) to receive a pension under article F1 or F2, as appropriate, as from that time, it shall give him notice in writing to that effect.

(5) The annual amount of a pension payable under article F1 or F2 to a person by virtue of this article shall (subject to Part G (commutation)) be calculated in accordance with article F3; but for the purposes of calculating his pension under article F1 his actual period of reckonable service as a participating member shall be increased by a period equal to the period between his ceasing as mentioned in paragraph (1)(a) or (b) and the time when he would attain the age of 65.

(6) For the purposes of this article—

- (a) a person who has ceased to be a participating member in consequence of the dissolution of the Parliament shall be treated as having so ceased because of ill-health if, but only if, he satisfies the Parliamentary corporation that as a direct consequence of his ill-health he did not seek re-election to the Parliament after the dissolution; and
- (b) a person who has, while not a member of the Parliament, ceased to be a participating office holder because of the result of a general election consequent upon the dissolution of the Parliament shall be treated as having so ceased as a direct consequence of his ill-health if, but only if, he satisfies the Parliamentary corporation that on the day of the poll in that election his ill-health was such as would prevent him from performing adequately the duties of a member of the Parliament.

Ill-health pensions for former members or office holders

J2.—(1) A person who because of ill-health has, while neither a member of the Parliament nor a candidate for election to it nor an office holder, retired from gainful work before attaining the age of 65 may apply to the Parliamentary corporation for an early pension under article F1 or F2, if at the time when he so retired he would have become entitled to receive a pension under article F1 or F2, as the case may be, but for his not having attained the age of 65.

(2) If on an application under this article the Parliamentary corporation is satisfied—

- (a) that the applicant does not intend to seek election to the Parliament or to accept any future offer of a qualifying office;
- (b) that his retirement from gainful work was a direct consequence of his ill-health; and
- (c) that his ill-health is such as would prevent him from performing adequately the duties of a member of the Parliament,

the applicant shall, as from the date on which the Parliamentary corporation is so satisfied, be entitled to receive a pension under the relevant article.

(3) Where an application is made under this article, the Parliamentary corporation shall by notice in writing inform the applicant whether it is so satisfied as mentioned in paragraph (2) and, if it is so satisfied, shall state the date as from which the pension payable to him by virtue of this article is payable in accordance with that paragraph.

(4) In this regulation “gainful work” means work under a contract of employment, or as the holder of an office, or as a self-employed person engaged in a business or profession, being in any case work from which the person concerned gains the whole or a substantial part of his income.

Medical evidence

J3.—(1) Every application under Part J must be accompanied by evidence from a medical practitioner of the applicant’s state of health.

(2) In the case of any such application the Parliamentary corporation may require the applicant to undergo a medical examination by a medical practitioner nominated by it for the purpose; and the fees for any such examination shall be borne by the Parliamentary corporation or the applicant, as the Parliamentary corporation may determine.

PART K

SURVIVING SPOUSES AND CHILDREN

Pensions for surviving spouses

K1.—(1) Subject to the following provisions of this article, the surviving spouse of a person who was at the time of his death a participant, a pensioner or a deferred pensioner shall be entitled to receive a pension under this article.

(2) The annual amount of a pension payable under this article shall be five-eighths of the basic or prospective pension or pensions of the deceased.

(3) Subject to paragraphs (4) and (5), a pension payable under this article shall continue for the surviving spouse's life or until her remarriage; but in the case of remarriage the Parliamentary corporation may, if it thinks fit, at any time direct that the pension shall be restored if satisfied that the subsequent marriage has been terminated or that there are exceptional reasons for the payment of the pension notwithstanding the subsistence of that marriage.

(4) Subject to paragraph (5), no pension shall be payable under this article to a surviving spouse who, at the deceased's death, was cohabiting with another person; and if a surviving spouse entitled to such a pension cohabits with another person, the pension shall cease to be payable:

Provided that the Parliamentary corporation may, if it thinks fit, direct that the pension shall be paid or restored, as the case may be, if satisfied that the cohabitation has been terminated or that there are exceptional reasons for the payment of the pension notwithstanding that the cohabitation continues.

(5) For any period as specified in section 17(5) of the Pension Schemes Act 1993 (period for which Category B retirement pension etc is or would be payable) the surviving spouse of a person shall, notwithstanding paragraphs (3) and (4), be entitled to a pension under this article.

(6) Where a person dies in circumstances in which, apart from this paragraph, a surviving spouse's pension calculated in accordance with paragraph (2) would be payable to someone married to him within the period of six months ending with his death and it appears to the Parliamentary corporation that his death within six months was to be foreseen by him at the date of the marriage, then if—

- (a) there are no children of that marriage; and
- (b) the couple were married after the termination of the person's service in contracted-out employment in respect of which the surviving spouse's pension is payable,

the Parliamentary corporation may direct that all or any part of the surviving spouse's pension, as it thinks fit, shall not be payable.

Pensions for children

K2.—(1) Subject to the provisions of this article, if a participant, pensioner or deferred pensioner dies leaving one or more eligible children, a children's pension shall be payable for their benefit.

(2) The annual amount of a children's pension shall be—

- (a) a sum equal to one quarter of the basic or prospective pension or pensions of the deceased if there is one eligible child or, if there is more than one, a sum equal to three-sixteenths

of the basic or prospective pension or pensions of the deceased for each eligible child not exceeding two; or

- (b) where the deceased left a surviving spouse who has since died, a sum equal to five-sixteenths of the basic or prospective pension or pensions of the deceased for each eligible child not exceeding two.

(3) A children's pension shall be paid to or distributed between such person or persons as the Parliamentary corporation may from time to time direct, and shall be applied by that person or those persons, without distinction, for the benefit of the eligible child or children of the deceased or such of them as the Parliamentary corporation may from time to time direct.

(4) For the purposes of this article, the eligible child of a deceased person is—

- (a) a child of the deceased's marriage or his adopted child; or
- (b) a child who was wholly or mainly dependent on the deceased at the time of his death.

(5) For the purposes of this article, a person counts as a child only if—

- (a) he is aged under 17;
- (b) he is aged under 22 and since he became 17 he has been engaged continuously in full-time education or in training for a trade, profession or vocation; or
- (c) he is physically or mentally incapacitated and became so whilst a child within sub-paragraph (a) or (b).

(6) If the Parliamentary corporation wishes, it may treat education or training as continuous despite a break.

Death in service of participating member

K3.—(1) Where a participating member has died, paragraph (2) and article K4 (so far as applicable) shall apply if his surviving spouse is entitled to receive a pension under article K1 or if a children's pension is payable under article K2 for the benefit of any eligible child or children of his.

(2) If the deceased died before attaining the age of 65, the annual amount of any pension payable to his surviving spouse under article K1, or for the benefit of any eligible child or children of his under article K2, shall be calculated as if he had immediately before his death ceased because of ill-health to be a member of the Parliament and had by virtue of article J1 been entitled to receive a pension under article F1 as from the time when he so ceased.

Enhancement of initial surviving spouses' pensions

K4.—(1) In this article “the three month period”, in relation to a person who has died, means the period of three months beginning with the day following the date of his death.

(2) Where the surviving spouse of a person who—

- (a) has been a participating member; and
- (b) was at the time of his death a pensioner member,

is entitled to receive a pension under article K1, paragraphs (3) and (4) shall apply.

(3) If, for any part of the three month period, the aggregate of the following amounts, namely:—

- (a) the amount payable to the surviving spouse by way of pension under article K1 apart from this paragraph; and
- (b) any amount which (by direction of the Parliamentary corporation under article K2(3)) is payable to the surviving spouse by way of pension under article K2 for the benefit of any eligible child or children of the deceased,

is less than the amount mentioned in paragraph (4), then for that part of that period the amount payable to the surviving spouse by way of pension under article K1 shall be increased by the difference.

(4) The said amount is the amount which, if the deceased had lived, would have been payable to him for the part of the three month period in question by way of pension under one or both of articles F1 and F2.

(5) Where a participating member has died, paragraphs (6) and (7) (so far as applicable) shall apply if his surviving spouse is entitled to receive a pension under article K1 or if a children's pension under article K2 is payable for the benefit of any eligible child or children of his.

(6) If, for any part of the three month period, the aggregate of the following amounts, namely:—

- (a) the amount payable to the deceased's surviving spouse by way of pension under article K1 apart from this paragraph; and
- (b) any amount which (by direction of the Parliamentary corporation under article K2(3)) is payable to the surviving spouse by way of pension under article K2 for the benefit of any eligible child or children of the deceased,

is less than the amount mentioned in paragraph (7), then for that part of that period the amount payable to the surviving spouse by way of pension under article K1 shall be increased by the difference.

(7) The said amount is the amount which would have been payable to the deceased for the part of the three month period in question if—

- (a) the deceased had lived and had at the material time become entitled to a pension under article F1; and
- (b) the annual amount of that pension had been a sum equal to a member's salary at the rate in force at the material time.

(8) In paragraph (7) "the material time" means the date of the deceased's death.

(9) The preceding provisions of this article are without prejudice to paragraphs (3), (4) and (6) of article K1 (duration of surviving spouse's pension and restrictions on payment).

Meaning of "basic or prospective pension or pensions"

K5.—(1) In this Order "basic or prospective pension or pensions" means—

- (a) in relation to a participant who has died, the annual amount of the pension or pensions specified in whichever of the following paragraphs apply to him:—
 - (i) where the deceased was or had been a participating member, the annual amount of the pension calculated in respect of him in accordance with article F3 or, if he died while a participating member before attaining the age of 65, the annual amount of the pension calculated in respect of him by virtue of article K3;
 - (ii) where the deceased was or had been a participating office holder, the annual amount of the pension, calculated in accordance with article F3, which he would have been entitled to receive under article F2, if immediately before his death he had fulfilled the conditions specified in sub-paragraphs (a) to (c) of article F1(1);
- (b) in relation to a pensioner who has died, the annual amount of the pension or pensions which he received or was entitled to receive calculated in accordance with Part F, including an ill- health pension calculated in accordance with Part J: Provided that where the annual amount of which he was in receipt resulted from one or more reductions or abatements made under article G1 (commutation) or H1 or H2 (early retirement), no such reduction or abatement shall be made in calculating the annual amount of that pension or pensions for the purposes of this article;

- (c) in relation to a deferred pensioner who has died, the annual amount of the pension or pensions specified in whichever of the following sub-paragraphs apply to him:—
- (i) where the deceased was a former participating member, the annual amount of the pension, calculated in accordance with article F3, which he would have been entitled to receive under article F1 if he had ceased to be a member of the Parliament immediately before his death and he had then fulfilled the conditions specified in sub-paragraphs (a) to (c) of article F1(1);
 - (ii) where the deceased was a participating office holder, the annual amount of the pension, calculated in accordance with article F3, which he would have been entitled to receive under article F2 if immediately before his death he had fulfilled the conditions specified in sub-paragraphs (a) to (c) of article F1(1).

PART L

DEATH GRATUITIES

Gratuity on death in service

L1.—(1) Where a participant has died the Parliamentary corporation may, if it thinks fit, grant a gratuity under this article in respect of him.

(2) A gratuity granted under this article in respect of a participant shall be granted—

- (a) to the person or persons nominated in any nomination made by him for the purposes of this article which was in force at the time of his death; or
- (b) if no such nomination was in force at that time or, pursuant to paragraph (4), to the extent that a nomination is treated as not being in force, to his executors.

(3) Where a participant nominates more than one person for the purposes of this article, he may also specify the proportion of the gratuity to be granted to each such person.

(4) The Parliamentary corporation shall treat a nomination made for the purposes of this section by any participant as not being in force at the time of the participant's death to the extent that—

- (a) any person nominated was the participant's spouse at the time the nomination was made but has subsequently ceased to be the participant's spouse; or
- (b) it is of the opinion that the payment of the gratuity to any person nominated is not reasonably practicable in all the circumstances.

(5) A nomination for the purposes of this article shall be made, and may be revoked, by a notice in writing given to the Parliamentary corporation; and such a notice shall be in such form as the Parliamentary corporation may require.

(6) The amount of a gratuity granted under this article in respect of a participant shall be the greater of—

- (a) the amount equal to three times his salary at the time of his death; and
- (b) the aggregate of the contributions paid by that participant, and not refunded to him, together with interest on each such contribution from the date on which it was paid,

but shall be subject to an overall maximum of three times the permitted maximum.

(7) In paragraph (6) “salary” has the same meaning as in article D1(2).

Gratuity on death after retirement

L2.—(1) Where a pensioner dies and no pension in respect of him is payable under article K1 or K2, the Parliamentary corporation may, if it thinks fit, but subject to paragraph (2), grant to his executors a gratuity under this article.

(2) The Parliamentary corporation shall not grant a gratuity under this article if the amount of any such gratuity would be less than the amount of any lump sum or the aggregate of any lump sums payable by virtue of article M4(2) or M7.

(3) For the purpose of determining the amount of a gratuity which may be granted in respect of a pensioner under this article, there shall be calculated—

- (a) the amount of the gratuity which the Parliamentary corporation could have granted to his executors under article L1 if he had died at a time when he was a participant (but disregarding any office holder's salary to which he was then entitled); and
- (b) the aggregate amount of the payments made to him by way of pension under Part F, H or J together with any lump sum paid to him under article G1,

and the amount of the gratuity shall be the amount (if any) by which the amount calculated under sub-paragraph (a) exceeds the amount calculated under sub-paragraph (b) of this paragraph.

PART M

FIVE YEAR GUARANTEE

Entitlement

M1.—(1) Articles M2 to M6 shall apply in respect of a deceased pensioner member whose actual period of reckonable service is only as a participating member.

(2) Article M7 shall apply in respect of a deceased pensioner whose actual period of reckonable service includes service as a participating office holder.

Guarantees for surviving spouses

M2.—(1) Where a pensioner member dies during the pensioner member's five year period and is survived by his spouse, paragraphs (2) to (5) shall apply.

(2) If for any part of the pensioner member's five year period, the aggregate of the following amounts namely:—

- (a) the amount payable to the surviving spouse by way of pension under article K1 apart from this paragraph (including any enhancement payable under article K4); and
- (b) any amount which (by direction of the Parliamentary corporation under article K2(3)) is payable by way of pension under article K2 for the benefit of any eligible child or children of the deceased pensioner member,

is less than the amount mentioned in paragraph (3), then for that part of that period the difference shall be payable to the surviving spouse.

(3) The said amount is the amount which, if the deceased pensioner member had lived, would have been payable to him for the part of the pensioner member's five year period in question by way of pension under article F1 (including an early retirement pension or an ill-health pension payable by virtue of article H1, J1 or J2).

(4) If the surviving spouse of the deceased pensioner member dies during the pensioner member's five year period, there shall be paid to her executors a lump sum which shall be calculated by

deducting the amount mentioned in sub-paragraph (a) below from the amount mentioned in sub-paragraph (b) below—

- (a) the total of any pensions which (by direction of the Parliamentary corporation under article K2(3)) would have been payable under article K2 for the benefit of any eligible child or children of the deceased pensioner member if the annual sum payable under article K2(2) (after the death of the surviving spouse of the deceased pensioner member) in respect of each eligible child had continued during the period ending on the pensioner member's children's prospective pension end date for that child;
 - (b) the amount which would have been payable to the deceased pensioner member if the annual amount of the pension to which he was entitled under article F1 (including an early retirement pension or an ill-health pension payable by virtue of article H1, J1 or J2) were to have been paid to him during the remainder of the pensioner member's five year period.
- (5) In this Part—

“the pensioner member's five year period” means the period of five years beginning with the day on which he became entitled to receive a pension or pensions under article F1 (including an early retirement pension or an ill-health pension payable by virtue of regulation H1, J1 or J2).

“the pensioner member's children's prospective pension end date” means, in respect of any eligible child of a deceased pensioner member the sooner of—

- (a) the date before that on which that child reaches the age of 17 or, in the case of a child falling within article K2(5)(b), such later date as the Parliamentary corporation may determine, being no later than the date before that on which the child reaches the age of 22; and
- (b) the end of the pensioner member's five year period.

Guarantees where children but no spouse survive

M3.—(1) Where a pensioner member dies during the pensioner member's five year period and is survived by an eligible child or children, but no spouse, paragraph (2) shall apply.

(2) There shall be paid to the executors of the deceased pensioner member a lump sum which shall be calculated by deducting the amount mentioned in sub-paragraph (a) below from the amount mentioned in sub-paragraph (b) below—

- (a) the total of any pensions payable under article K2 (by direction of the Parliamentary corporation under article K2(3)) for the benefit of any eligible child or children of the deceased pensioner member, if the annual sum payable under article K2(2) (after the death of the pensioner member) in respect of each eligible child were to continue during the period ending on the pensioner member's children's prospective pension end date for that child;
- (b) the amount which would have been payable to the deceased pensioner member if the annual amount of the pension to which he was entitled under article F1 (including an early retirement pension or an ill-health pension payable by virtue of article H1, J1 or J2) were to have been paid to him during the remainder of the pensioner member's five year period after his death.

Guarantees where no survivors

M4.—(1) Where a pensioner member dies within the pensioner member's five year period and is not survived by his spouse nor by any eligible child or children, paragraph (2) shall apply.

(2) There shall be paid to the executors of the deceased pensioner member a lump sum calculated as if the annual amount of the pension to which he was entitled under article F1 (including an early

retirement pension or an ill-health pension payable by virtue of article H1, J1 or J2) were to be paid to him during the remainder of the pensioner member's five year period after his death.

(3) This article shall not apply if a gratuity is granted under article L2.

Remarriage or cohabitation of surviving spouse

M5.—(1) If during a deceased pensioner member's five year period—

- (a) the surviving spouse of that deceased pensioner member remarries or cohabits with another person; and
- (b) the Parliamentary corporation directs that the surviving spouse's pension be paid or restored under article K1(3) or (4),

the Parliamentary corporation may direct that payments under article M2(2) shall continue until the end of the pensioner member's five year period or until such earlier date as the Parliamentary corporation thinks fit.

(2) If during a deceased pensioner member's five year period his surviving spouse remarries or cohabits with another person, the Parliamentary corporation may direct that there be paid to the executors of the deceased a lump sum calculated in accordance with article M4(2).

Early termination of child's period of full-time education or training

M6.—(1) If—

- (a) a sum has been paid to the executors of the surviving spouse of a deceased pensioner member under article M2(4) or to the executors of a deceased pensioner member under article M3(2); and
- (b) the period of full-time education or training of any eligible child of the deceased pensioner member has come to end on a date earlier than the pensioner member's children's prospective pension end date for that child used in the calculation of that sum,

the Parliamentary corporation may pay a further sum to the said executors calculated by deducting the amount mentioned in sub-paragraph (ii) below from the amount mentioned in sub-paragraph (i) below—

- (i) the total of any pensions which would have been payable for the benefit of that child if the payments had continued until his pensioner member's children's prospective pension end date;
- (ii) the total of the pensions which have been paid for his benefit.

(2) In paragraph (1) "the period of full-time education or training" in respect of an eligible child means the period during which he is continuously engaged in full-time education or in training for any trade, profession or vocation.

Deceased pensioner office holders

M7.—(1) Articles M2 to M6 shall apply in relation to a deceased pensioner office holder and his surviving spouse and any eligible child or children as they apply in relation to a deceased pensioner member and his surviving spouse and eligible child or children but where those articles apply in relation to a deceased pensioner office holder—

- (a) any reference to "pensioner member" shall be construed as a reference to "pensioner officer holder";
- (b) any reference to "the pensioner member's children's prospective pension end date" shall be construed as a reference to "the pensioner officer holder's children's prospective pension end date";

- (c) any reference to “the pensioner member’s five year period” shall be construed as a reference to “the pensioner office holder’s five year period”; and
 - (d) any reference to article F1 or H1 shall be construed respectively as a reference to article F3 or H2;
- (2) In this Part–
- “the pensioner office holder’s children’s prospective pension end date” means, in respect of any eligible child of a deceased pensioner office holder, the sooner of–
- (a) the date before that on which the child reaches the age of 17 or, in the case of a child falling within article K2(5)(b), such later date as the Parliamentary corporation may determine, being no later than the date before that on which the child reaches the age of 22; and
 - (b) the end of the pensioner office holder’s five year period;
- “the pensioner office holder’s five year period” means the period of five years beginning with the day on which he became entitled to receive a pension under article F2 (including an early retirement pension or an ill-health pension payable by virtue of article H2, J1 or J3).

PART N

REFUNDS

Refund to contributor

N1.—(1) Subject to paragraphs (3) and (6), contributions paid by a person and not previously refunded to him shall be refunded to him by the Parliamentary corporation, with interest from the dates on which the contributions were paid respectively, if he requests the Parliamentary corporation to refund the contributions to him and, on the date of that request, the conditions specified in paragraph (2) are fulfilled in relation to him.

(2) The conditions referred to in paragraph (1) are that–

- (a) the person has ceased to be a participant;
- (b) his aggregate period of reckonable service as a participant is less than two years; and
- (c) he has not become entitled to a pension under the Scheme.

(3) A person shall not be entitled to a refund of contributions if, in the case of a man, he had ceased to be a participant during or on a date after the end of the tax year in which he attains the age of 65 or, in the case of a woman she had ceased to be a participant during or on a date after the end of the tax year in which she attained the age of 60.

(4) If, after the refund of contributions to him under this article, the person becomes entitled to pay and pays contributions under article D1, he may–

- (a) if he so desires, and makes the repayment before the end of the period of three months beginning with the date on which he becomes so entitled; or
- (b) after the end of that period, if the Parliamentary corporation so allows,

repay to the Parliamentary corporation the sum so paid to him, with interest from the date on which it was paid to him:

Provided that in any tax year the amount of the repayment together with–

- (i) the contributions made by him under article D1; and
- (ii) any contributions made by him under article Q1 or R1; and
- (iii) any other additional voluntary contributions,

shall not exceed the smaller of 15% of his member's salary or his office holder's salary or both and 15% of the permitted maximum; and any sum to be paid to the Parliamentary corporation under this paragraph may, if the Parliamentary corporation so allows, be paid by instalments over such period, not exceeding three years, as the Parliamentary corporation thinks fit.

(5) Any amount (whether of principal or interest) paid by the participant to the Parliamentary corporation under paragraph (4) shall be treated for the purposes of this article as if it were a contribution paid by him at the time when he makes that payment.

(6) The Parliamentary corporation shall deduct from the amount of any contributions which may be repaid to a person in accordance with this article the amount certified by the Secretary of State under section 63(1)(d) of the Pension Schemes Act 1993 in respect of that person.

(7) For the purpose of calculating a person's actual period of reckonable service as a participant, no account shall be taken of any period in respect of which contributions paid by that person have been—

- (a) refunded to him under this article; and
- (b) not subsequently repaid by him to the Parliamentary corporation.

Refund after death

N2. Where a person has died—

- (a) without leaving a spouse or eligible child who is, or may become, entitled in respect of that person to receive a pension under article K1 or K2; and
- (b) in circumstances where the conditions specified in article N1(2)(a) and (c) were fulfilled in relation to him, but where he had not made a request for a refund of contributions under that article,

the Parliamentary corporation shall refund to his executors the contributions paid by the participant and not previously refunded to him, with interest from the dates on which the contributions were paid respectively.

Deduction of tax from refunds of contributions

N3. On making any repayment of contributions (including interest on contributions) under article N1, the Parliamentary corporation shall be entitled to deduct from the repayment any tax to which it may become chargeable under section 598(2) of the Taxes Act 1988 (charge to tax: repayment of employee's contributions).

PART P

TRANSFERS

Transfers to other pension schemes

P1.—(1) At the request of any person who has been a participant but who has ceased to be either—

- (a) a member of the Parliament; or
- (b) an office holder,

and who (in either case) has not become entitled to a pension under the Scheme, the Parliamentary corporation shall pay into or for the purposes of any one, or more than one, scheme or annuity to which this article applies, a sum or sums representing the transfer value of that person's accrued pension rights in the Fund (referred to in this article as a "transfer payment").

(2) This article applies to any scheme or annuity which satisfies the requirements prescribed by regulations made under section 95(2) of the Pension Schemes Act 1993.

(3) Where a person has required the Parliamentary corporation to make a transfer payment in accordance with paragraph (1), there shall be deducted from that payment—

- (a) the amount of any contributions equivalent premium; or
- (b) an amount sufficient to meet the liability in respect of the person's contracted-out rights.

(4) The amount mentioned in paragraph (1)(b) may not be deducted where—

- (a) the transfer payment is made to an occupational pension scheme which is contracted-out or an appropriate personal pension scheme; and
- (b) that scheme's trustees or managers undertake to accept liability for his contracted-out rights.

(5) Where the amount mentioned in paragraph (1)(a) is deducted, if the Parliamentary corporation thinks fit, that amount may be used in preserving the liability mentioned in paragraph (2)(b) in the Fund, otherwise it may be used in paying the contributions equivalent premium.

(6) A person may require the Parliamentary corporation to make a transfer payment in respect of him at any time before a date—

- (a) not more than one year before the date on which he attains the age of 65; or
- (b) not more than six months after the date on which he ceases to be a participant,

whichever is the later.

Transfers to other pension schemes after opt-out

P2.—(1) At the request of any person who—

- (a) is an opted-out member or an opted-out office holder who is not a member of the Parliament; and
- (b) has not become entitled to a pension under the Scheme,

the Parliamentary corporation shall pay into or for the purpose of any one or more than one scheme or annuity to which this article applies a sum or sums representing the transfer value of that person's accrued pension rights in the Fund.

(2) This article applies to any fund or scheme specified in regulation P1(2).

(3) Where a transfer value has been paid under this article in respect of a person who is an opted-out member or an opted-out office holder and that person subsequently ceases to be a member of the Parliament or an office holder, a transfer value may be paid under article P1 in respect of any pension rights accrued to or in respect of him which are preserved in the Scheme.

(4) Article P1(3) and (4) shall apply for the purposes of this article.

Transfer to overseas pension schemes

P3.—(1) At the request of any person who has been a participant but who has ceased to be either—

- (a) a member of the Parliament; or
- (b) an office holder,

and who (in either case) has not become entitled to a pension under the Scheme, the Parliamentary corporation shall pay into or for the purposes of any one, or more than one, fund or scheme to which this article applies a sum or sums representing the transfer value of that person's accrued pension rights in the Fund.

(2) This article applies to any overseas fund or scheme which is approved by the Parliamentary corporation, provided that the Parliamentary corporation shall before giving such approval consult and have regard to the views of the Board of Inland Revenue and the Occupational Pensions Regulatory Authority as to the suitability of the fund or scheme for the purposes of this article.

(3) At the request of any person—

- (a) in respect of whom any sum has been paid under this article into or for the purposes of an overseas fund or scheme; and
- (b) who is not at the time the request is made a member of the Parliament or the holder of a qualifying office,

the Parliamentary corporation may receive a sum, out of, or out of monies held for the purposes of, that fund or scheme, equal to the sum paid under this article together with interest thereon from the date of that payment at such a rate as may be agreed by the Parliamentary corporation.

Effect of transfers out on reckonable service

P4. Where any sums are paid by the Parliamentary corporation under article P1, P2 or P3 in respect of any person, then—

- (a) for the purpose of calculating that person's aggregate period of reckonable service as a participating member or his aggregate period of reckonable service as a participating office holder, no account shall be taken of any period before the date of that payment; and
- (b) for the purposes of articles N1 and N2 any contributions paid by him before that date shall be treated as not having been paid.

Certification by the Government Actuary

P5. For the purposes of articles P1, P2 and P3, any transfer value of the whole or part of a person's accrued pension rights under this Scheme shall be such sum as shall satisfy the requirements prescribed under section 95(2) of the Pension Schemes Act 1993 and shall be certified by, or calculated in accordance with tables prepared by, the Government Actuary.

Transfers from other pension schemes

P6.—(1) At the request of any person who—

- (a) is a participating member;
- (b) is an opted-out member who applies to rejoin the Scheme under article C5;
- (c) is not a member of the Parliament, but is a participating office holder; or
- (d) is not a member of the Parliament, but is an opted-out office holder who applies to rejoin the Scheme under article C6,

the Parliamentary corporation shall receive any sums payable by way of transfer value in respect of him out of, or out of moneys held for the purposes of, any scheme or annuity to which article P1 applies, or under any enactment for the time being in force which authorises the transfer of pension rights.

(2) Where any sums are received by the Parliamentary corporation under paragraph (1) at the request of any person—

- (a) he shall be credited with such period or, as the case may be, such additional period, of reckonable service as may be determined by the Parliamentary corporation; and
- (b) for the purposes of articles N1 and N2, the sums so received by the Parliamentary corporation, so far as in its opinion they represent his own contributory payments, shall be

treated as if they were contributions paid by him, at the same times as those contributory payments were made, by deduction from his salary under article D1.

(3) Any period determined by the Parliamentary corporation under paragraph (2)(a) shall be a period or number of years either certified by the Government Actuary as being appropriate in relation to the sums received by the Parliamentary corporation at the request of the person in question or a period or number of years calculated, in accordance with tables prepared by the Government Actuary, as being appropriate in relation to those sums.

PART Q

ADDED YEARS

Purchase of added years by participating members

Q1. Schedule 5 shall have effect with respect to the purchase of added years by a participating member, and subject to the provisions of that Schedule, his aggregate period of reckonable service as a participating member shall be treated as increased by the period of added years so purchased.

PART R

ADDITIONAL VOLUNTARY CONTRIBUTIONS

Additional voluntary contributions by participants

R1. Schedule 6 shall have effect for the purposes of the AVC Scheme.

PART S

SPECIAL PENSION PROVISION FOR FIRST MINISTER AND PRESIDING OFFICER

Pension for First Minister and Presiding Officer

S1.—(1) Any person who has held the office of First Minister or Presiding Officer shall, on ceasing to hold that office and subject to paragraph (2), be entitled to receive a pension under this article.

(2) No pension shall be payable under this article to any person so long as he is in receipt of any salary charged or payable out of—

- (a) the Scottish Consolidated Fund other than a salary payable in respect of his membership of the Parliament; or
- (b) the Consolidated Fund or out of monies provided by Parliament other than a salary payable in respect of his membership of the House of Commons.

(3) The annual amount of a pension payable under this article shall be equal to one half of the salary payable in respect of the office in question at the rate in force on the person's ceasing to hold that office.

Pension for dependants of First Minister or Presiding Officer

S2. In relation to a person who has held the office of First Minister or Presiding Officer and has died, articles K1 and K2 shall have effect as if—

- (a) he had at the time of his death been entitled to receive a pension under article F1 (whether or not he had been a participating member); and
- (b) the annual amount of that pension had been that specified in article S1(3).

Pensions met out of Scottish Consolidated Fund

S3. Any pension payable under article S1 or S2 shall be charged on and paid out of the Scottish Consolidated Fund.

PART T

MISCELLANEOUS AND SUPPLEMENTAL

Non-assignability of benefits

T1. Any benefit under this Scheme shall not be assignable or chargeable with debts or other liabilities.

Payments due to deceased persons

T2.—(1) Where on the death of any person there is due to the deceased or his executors from the Parliamentary corporation a sum which (if any part of it due by way of interest is disregarded) does not exceed the amount specified in any order for the time being in force under section 6 of the Administration of Estates (Small Payments) Act 1965(8), confirmation or other proof of the title of the deceased's executors may be dispensed with, and the Parliamentary corporation may pay the whole or any part of that sum to those executors or to the person, or to or among any one or more of any persons, appearing to the Parliamentary corporation to be beneficially entitled to the personal or movable estate of the deceased.

(2) Any person to whom a payment is made under paragraph (1), and not the Parliamentary corporation, shall thereafter be liable to account for the amount paid to him under that paragraph.

(3) If the Parliamentary corporation receives notice in writing of any claim against the estate of the deceased at any time before it has made a full payment under paragraph (1), then, except where the sum to be paid appears to it to be *bona vacantia*, the Parliamentary corporation shall not make any, or (as the case may be) any further, payment under that paragraph to any person other than the executors of the deceased until the claim is satisfied or withdrawn.

St Andrew's House,
Edinburgh
29th March 1999

Helen Liddell
Minister of State, Scottish Office

SCHEDULE 1

Article B2

SCOTTISH PARLIAMENTARY CONTRIBUTORY PENSION FUND

Management of Fund

1. The Parliamentary corporation may appoint such person as it thinks fit to acquire assets for and dispose of assets of the Fund on its behalf and in accordance only with such instructions as to investment policy, as it shall from time to time determine and lay down.

2. The Parliamentary corporation shall review any acquisition or disposal of the assets of the Fund by such person as may be appointed under paragraph 1 and shall do so within six months of the date of any such acquisition or disposal.

3. Upon a review pursuant to paragraph 3, the Parliamentary corporation may ratify the acquisition or disposal, or may take such other action in respect of it as it thinks fit.

Accounts and actuarial report

4. The Parliamentary corporation shall keep proper accounts and shall prepare in respect of each financial year of the Fund statements of account in such form and in such manner as the Comptroller and Auditor-General or, in relation to any financial year beginning on or after 1st April 2000, the Auditor General for Scotland may direct.

5. The Auditor General for Scotland shall examine and certify every statement of account prepared under paragraph 4 of this Schedule and shall lay a copy of every such statement, together with his report on it, before the Parliament.

6. The Government Actuary shall prepare an actuarial report on the Scheme, including an actuarial valuation of the assets and liabilities of the Fund, as at 6th May 1999 and thereafter at three-yearly intervals and shall send copies of each report to the Parliamentary corporation.

Expenses

7. The expenses of managing the Fund, including any fee payable to the Comptroller and Auditor General or to the Auditor General for Scotland, and the remuneration and pensions, or contributions towards the pensions, payable to or in respect of staff employed solely in connection with management of the Fund, shall be met out of the Fund.

8. Section 21(6) of the Scotland Act 1998 shall not apply to expenses to which paragraph 7 applies.

SCHEDULE 2

Article F5

MAXIMUM PENSIONS

1. In this Schedule, unless the context otherwise requires—

“index” at any time, means the index of retail prices published by the Office for National Statistics of the Chancellor of the Exchequer, or any successor agreed as appropriate by the Board of Inland Revenue, for the calendar month three months prior to that time;

“pensionable service” means actual service as a participant;

“retained benefits” means benefits for a participant derived from—

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- (a) retirement benefits schemes approved or seeking approval under Chapter I of Part XIV of the Taxes Act 1988 or relevant statutory schemes as defined in section 611A of that Act⁽⁹⁾, excluding benefits in respect of service;
- (b) funds to which section 608 of the Taxes Act 1988 applies, excluding benefits in respect of service;
- (c) retirement benefit schemes which have been accepted by the Board of Inland Revenue as “corresponding” for the purposes of section 596(2)(b) of the Taxes Act 1988⁽¹⁰⁾, excluding benefits in respect of service;
- (d) retirement annuity contracts or trust schemes approved under section 620 of the Taxes Act 1988, or personal pension schemes (other than arrangements to which only minimum contributions are paid) which related to relevant earnings from the current employment or previous employments (including periods of self employment whether alone or in partnership);
- (e) transfer payments from overseas schemes held in a type of arrangement defined in (a) or (d) above excluding those in respect of service,

including such benefits which have been transferred to another scheme, whether or not in the United Kingdom, but excluding such benefits which relate to service with an unassociated employer which is concurrent with service:

Provided that—

- (i) if the total of the retained benefits is less than a pension of £260 those retained benefits may be disregarded; and
- (ii) if the participant’s earnings in the 12 months after entry to the Scheme do not exceed one quarter of the permitted maximum, benefits from those sources, other than those transferred into the Scheme, shall not be classed as retained benefits;

“service” means service as a member of the Parliament or as an office holder, and includes, where appropriate, any increase in reckonable service attributable to sums received by way of transfer value or to the purchase of added years.

2. This Schedule sets out the maximum pension payable to a person at the relevant date.

3.—(1) On retirement at any time after age 50, except before normal retirement date on grounds of incapacity, a pension of 1/60th of the person’s final salary for each year of service (not exceeding 40 years) or, if greater, the lesser of—

- (a) 1/30th of his final salary for each year of service (not exceeding 20 years); and
- (b) 2/3rds of his final salary minus the pension value of all retained benefits.

(2) On retirement before the normal retirement date on grounds of incapacity an immediate pension in accordance with sub-paragraph (1) above on the basis of the number of years which would have counted as service had the participant remained in service to the normal retirement date.

(3) On leaving pensionable service before the normal retirement date a deferred pension—

- (a) for participants who remain in service, of that proportion of the amount calculated in accordance with sub-paragraph (2) above that the number (not exceeding 40) of years of service completed before leaving pensionable service bears to the potential number (not exceeding 40) of years of service had the participant remained in service to the normal retirement date;
- (b) for other participants the amount calculated in accordance with sub-paragraph (1) above,

⁽⁹⁾ Section 611A was inserted by the Finance Act 1989 (c. 26), Schedule 6, paragraphs 15 and 18(1).

⁽¹⁰⁾ Section 596(2) was amended by the Finance Act 1989, Schedule 9, paragraphs 8(1), (2)(b) and 18(1).

increased by up to 5% for each complete year, or, if greater, in proportion to any increase in the index which has occurred during the period of deferment.

(4) Benefits are further restricted as necessary to ensure that the participant's total retirement benefit under the Scheme, from any free standing additional voluntary contributions scheme and from any other additional voluntary contributions does not exceed 1/30th of the permitted maximum for each year of service. For the purpose of this limit service is the aggregate of service provided that the total shall not exceed 20 years. The permitted maximum in this context is that for the year of assessment in which the benefits commence to be paid or, if earlier, are transferred out under article P1 or P2. For the purpose of calculating the total retirement benefit the pension equivalent of benefits in any form other than pension is one 1/12th of its cash value.

SCHEDULE 3

Article G1

PART I

COMMUTATION OF PENSIONS

1.—(1) In this Schedule, unless the context otherwise requires—

“N” means in respect of the pension of a person, the period in years and any fraction of a year of his actual reckonable service before the relevant date or (if earlier) his 65th birthday;

“NS” means in respect of the pension of a person, the lesser of 40 years and the period in years and any fraction of a year of his prospective actual reckonable service at the relevant date;

“pension” means a pension, expressed as an annual amount, under Part F (pension entitlement), Part H (early retirement) or Part J (ill-health pensions) as the case may be; and “maximum pension” shall be construed accordingly;

“prospective actual reckonable service” means in respect of a person—

(a) at a date falling before his 65th birthday, his actual reckonable service before and after that date, assuming continuous actual reckonable service by him from that date until his 65th birthday;

(b) at a date falling on or after 65th birthday, his actual reckonable service at his 65th birthday;

“retained benefits” has the meaning given in Schedule 2;

“retained lump sum benefits” means retained benefits which are payable as single payments whether by way of commutation of accrued pension rights, refund of contributions or otherwise.

(2) Any reference in this Schedule to the beginning of a period of actual reckonable service of a person means any such beginning on his becoming a participant other than after an interval in his actual reckonable service occurring on a dissolution of the Parliament.

(3) Any reference in this Schedule to a person being or no longer being a participant shall be construed as a reference to whichever of those circumstances is applicable to the calculation of his pension.

Maximum commutation for members (including those retiring on grounds of ill-health)

2. For the purposes of article G1(4), in the case of a participant entitled to a pension under article F1—

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- (a) who has no retained lump sum benefits and who either was a member of the Parliament on his 65th birthday or is so entitled by virtue of article J1 or J3 (ill-health pensions), the maximum commutable sum shall be the amount of—
 - (i) the number of eightieths of his final salary, either specified in the table in Part II of this Schedule in relation to the number of complete years of his actual reckonable service or (if the period of that service includes a fraction of a year) calculated proportionately by reference to the numbers specified in that table; and
 - (ii) the product of three-eightieths of his final salary and any period, expressed in years and any fraction of a year, determined in respect of him under article P6(2) (transfers from other pension schemes),
 subject to a maximum of the amount of 120/80ths of his final salary;
- (b) who has retained lump sum benefits, but would otherwise be within sub-paragraph (a) above, the amount of the maximum commutable sum shall be whichever is the greater of—
 - (i) the amount of 120/80ths of his final salary, less the amount of his retained lump sum benefits; and
 - (ii) the amount of the product of three-eightieths of his final salary and the aggregate, expressed in years and any fraction of a year subject to a maximum of 40 years, of his actual reckonable service and of any period determined in respect of him under article P6(2) (transfers from other pension schemes).

Maximum commutation for members on early retirement

- 3.** For the purposes of article G1(4), in the case of a participant entitled to a pension under article H1—
- (a) who has no retained lump sum benefits, was no longer a member of the Parliament on his 65th birthday and is not entitled to a pension by virtue of article J1 or J3 (ill-health pensions), the amount of the maximum commutable sum, subject to a maximum of 120/80ths of his final salary, shall be whichever is the greater of—
 - (i) the amount of the product of N/NS and the number of eightieths of his final salary, either specified in the table in Part II of this Schedule in relation to the number of complete years of his prospective actual reckonable service or (if the period of that service includes a fraction of a year) calculated proportionately by reference to the numbers specified in that table; and
 - (ii) the amount of the product of three-eightieths of his final salary and the period, expressed in years and any fraction of a year, of his actual reckonable service,
 aggregated with the amount referred to in paragraph 2(a)(ii);
 - (b) who has retained lump sum benefits but would otherwise be within sub-paragraph (a) above, the amount of the maximum commutable sum shall be whichever is the greater of—
 - (i) the aggregate of—
 - (a) the amount referred to in sub-paragraph (a)(i) above, subject to a maximum of the product of N/NS and the amount referred to in paragraph 2(b)(i); and
 - (b) the amount referred to in paragraph 2(a)(ii), subject to a maximum of the amount of 120/80ths of his final salary, less his retained lump sum benefits; and
 - (ii) the amount referred to in paragraph 2(b)(ii).

Maximum commutation for office holders (including those retiring on grounds of ill-health)

4. For the purposes of article G1(4), in the case of a participant entitled to a pension under article F2—

- (a) who has no retained lump sum benefits and who either was an office holder on his 65th birthday or is so entitled by virtue of article J1 or J3 (ill-health pensions), the amount of the maximum commutable sum shall be the amount of—
 - (i) the number of eightieths of his final salary, specified in the table in Part II of this Schedule in relation to the number of years, each beginning on 1st April, during which he had any actual reckonable service; and
 - (ii) the product of three-eightieths of his final salary and any period, expressed in years and any fraction of a year, determined in respect of him under article P6(3) (transfers from other pension schemes),subject to a maximum of the amount of 120/80ths of his final salary;
- (b) who has retained lump sum benefits, but would otherwise be within sub-paragraph (a) above, the amount of the maximum commutable sum shall be whichever is the greater of—
 - (i) the amount of 120/80ths of his final salary, less his retained lump sum benefits; and
 - (ii) the amount of the product of three-eightieths of his final salary and, subject to a maximum of 40 years, the aggregate of—
 - (a) the number of years, each beginning on 1st April, during which he has any actual reckonable service; and
 - (b) the number of years (if any) determined in respect of him under article P6(3).

Maximum commutation for office holders on early retirement

5. For the purposes of article G1(4), in the case of a participant entitled to a pension under article H2—

- (a) who has no retained lump sum benefits, was no longer an office holder on his 65th birthday and is not entitled to a pension by virtue of article J1 or J3, the amount of the maximum commutable sum, subject to a maximum of 120/80ths of his final salary, shall be whichever is the greater of—
 - (i) the amount of the product of N/NS and the number of eightieths of his final salary, specified in the table in Part II of this Schedule in relation to the number of years, each beginning on 1st April, during which any part of his prospective actual reckonable service falls; and
 - (ii) the amount of the product of three-eightieths of his final salary and the number of years, each beginning on 1st April, during which he has any actual reckonable service,aggregated with the amount referred to in paragraph 4(a)(ii);
- (b) who has retained lump sum benefits but would otherwise be within sub-paragraph (a) of this paragraph, paragraph 3(b) above shall apply in respect of him, as if set out in this paragraph.

Earnings cap

6. The maximum commutable sum for any participant shall be further limited to an overall maximum of 120/80ths of the permitted maximum.

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PART II
MAXIMUM COMMUTATION OF PENSIONS

TABLE

<i>Number of years</i>	<i>Number of eightieths</i>
1	3
2	6
3	9
4	12
5	15
6	18
7	21
8	24
9	30
10	36
11	42
12	48
13	54
14	63
15	72
16	81
17	90
18	99
19	108
20 or more	120

SCHEDULE 4

Article H1

PERCENTAGE ABATEMENT OF PENSION ENTITLEMENT

1. The pension to which a person is entitled by virtue of article H1 shall be abated, having regard to the person's age and the length of his qualifying period at the date of his application or, if later, such other date as may be there specified, from the date from which that pension is payable by the percentage specified in the table below.

TABLE

<i>Qualifying period (years)</i>						
<i>Age</i>	<i>20 or more</i>	<i>19</i>	<i>18</i>	<i>17</i>	<i>16</i>	<i>15</i>
<i>pension brought into payment</i>						
65	0.0	0.0	0.0	0.0	0.0	0.0
64	0.0	0.0	0.0	0.0	0.0	7.0
63	0.0	0.0	0.0	0.0	7.0	13.7
62	0.0	0.0	0.0	7.0	13.7	19.9
61	0.0	0.0	7.0	13.7	19.9	25.6
60	0.0	7.0	13.7	19.9	25.6	30.8
59	7.0	13.7	19.9	25.6	30.8	35.6
58	13.7	19.9	25.6	30.8	35.6	39.9
57	19.9	25.6	30.8	35.6	39.9	43.7
56	25.6	30.8	35.6	39.9	43.7	47.0
55	30.8	35.6	39.9	43.7	47.0	50.0
54	35.6	39.9	43.7	47.0	50.0	52.8
53	39.9	43.7	47.0	50.0	52.8	55.4
52	43.7	47.0	50.0	52.8	55.4	57.7
51	47.0	50.0	52.8	55.4	57.7	59.7
50	50.0	52.8	55.4	57.7	59.7	61.8

Where the age or the qualifying period is not an exact number of years the percentage abatement shall be obtained by interpolating first for the required age and secondly for the required qualifying period.

SCHEDULE 5

Article Q1

PURCHASE OF ADDED YEARS

1. In this Schedule, unless the context otherwise requires—

“payment for the purchase of added years” means such a payment whether payable periodically or by way of a single lump sum;

“periodical contributions” means the sums payable by a participating member whose application to purchase added years other than by a single payment has been accepted by the Parliamentary corporation;

“final salary” means a member’s final salary as defined in article F3(2);

“single mandate member” means a participating member who is not in receipt of a salary payable pursuant to a resolution (or combination of resolutions) of either House of Parliament

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relating to the remuneration of members of that House or under section 1 of the European Parliament (Pay and Pensions) Act 1979(11).

Purchase of added years by periodical contributions

2.—(1) A participating member may apply in writing to the Parliamentary corporation to purchase added years by periodical contributions payable until he attains the age of 65 and the Parliamentary corporation shall accept his application if all the following conditions in respect of that application are satisfied:—

- (a) the participating member will not at his next birthday after the date of the application have attained the age of 65;
- (b) the participating member has satisfied the Parliamentary corporation, in whatever manner the Parliamentary corporation shall require, that he is in good health;
- (c) the number of added years which the participating member has applied to purchase does not exceed the maximum permitted by paragraph 8;
- (d) the participating member has supplied to the Parliamentary corporation such information and evidence as it may require and has indicated whether his application is made under this sub-paragraph or sub-paragraph (2) below; and
- (e) the participating member is, at the date the Parliamentary corporation receives the application, a single mandate member.

(2) A participating member may, within the period of 12 months immediately following the date when he commenced a period of service as a single mandate member, or within such longer period as the Parliamentary corporation may in special circumstances allow, apply in writing to the Parliamentary corporation to purchase added years by the payment of periodical contributions for a period of four or five years and the Parliamentary corporation shall accept his application if, at the date when the Parliamentary corporation receives the application, the participating member has not reached the age of 65 and if the conditions mentioned in sub-paragraph (1)(b), (c) and (d) above are satisfied in respect of that application.

3. An application by a participating member to purchase added years shall be irrevocable on and from the date when the Parliamentary corporation accepts it.

4. Where an application by a participating member to purchase added years by periodical contributions is accepted by the Parliamentary corporation—

- (a) those periodical contributions shall, subject to the provisions of paragraph 5, be payable—
 - (i) in the case of an application under paragraph 2(1), from the date of the participating member's birthday next following the receipt by the Parliamentary corporation of his application and until the participating member attains the age of 65; and
 - (ii) in the case of an application under paragraph 2(2), for whichever of the periods of four or five years the participating member has chosen for the payment of periodical contributions beginning on such date not later than two months from the date of acceptance of the application as the Parliamentary corporation shall specify by notice in writing to the participating member;
- (b) periodical contributions by a participating member for the added years shall be payable by deductions from his salary or, in the case of arrears, in such manner as the Parliamentary corporation may require; and

(11) 1979 c. 50.

- (c) the periodical contributions payable by a participating member for the added years shall be calculated in accordance with tables prepared from time to time by the Government Actuary.

Interrupted service

5.—(1) If a participating member dies or ceases to be a member of the Parliament because of ill-health in circumstances to which article J1 applies and he—

- (a) has applied to purchase added years by periodical contributions; and
- (b) has been notified in writing by the Parliamentary corporation that his application has been accepted,

no further periodical contributions will be payable from the day following the date of his death or from the day following the date he ceases to be a member of the Parliament, as the case may be, and any added years that he has applied to purchase by periodical contributions shall be credited in full as reckonable service as a participating member.

(2) If a participating member who has applied to purchase added years by periodical contributions and whose application has been accepted by the Parliamentary corporation ceases to be a member of the Parliament in circumstances to which article J1 does not apply, or if a participating member ceases to be a single mandate member, no such periodical contributions shall be payable by him from the day following the date when he so ceases but his reckonable service as a single mandate member shall in respect of each application be increased by—

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

Where—

- A is the number of added years he applied to purchase by periodical contributions;
- B is the period (expressed to the nearest day) during which periodical contributions have been paid;
- C is the total period during which periodical contributions would have been payable in accordance with paragraph 4(a).

(3) If a member to whom sub-paragraph (2) above has applied subsequently commences a further period of service as a single mandate member before he has attained the age of 65, in circumstances in which the periods together constitute an aggregate period of reckonable service as a single mandate member, then subject to sub-paragraphs (4) and (6) below, he may give notice to the Parliamentary corporation in writing within the period of three months beginning with the date upon which he commenced the further period of service that he intends to resume payment of his periodical contributions in respect of the added years for which he was making periodical contributions in his immediately preceding period of service and such periodical contributions shall then be payable from the date when he commenced the further period of service as a participating member and shall continue until he attains the age of 65 at the rate or rates applicable during that immediately preceding period.

(4) Where a participating member who ceased to pay periodical contributions by reason only of his ceasing to serve as a member of the Parliament or as a single mandate member, but subsequently became a single mandate member again and resumed the purchase of added years by periodical contributions in accordance with sub-paragraph (3) above thereafter becomes entitled to a pension under article F1, his reckonable service as a single mandate member shall be increased in accordance with sub-paragraph (2) above except that C shall be read as the total period during which he would have paid periodical contributions for those added years if his service as a single mandate member had been continuous.

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(5) If a participating member to whom sub-paragraph (2) above has applied subsequently commences a further period of service as a single mandate member before he has attained the age of 65, in circumstances in which the periods together constitute an aggregate period of reckonable service, then subject to sub-paragraphs (4) and (6) of this paragraph, he may, if, in consequence of his break in service as a single mandate member, there has been a reduction in the number of added years which he is able to purchase in full, with the agreement of the Parliamentary corporation and, subject to the provisions of paragraphs 2(a)(ii) and 8(1), apply to purchase by periodical contributions payable until he attains the age of 65 some or all of the number of added years comprised in that reduction at the rate applicable to the participating member's birthday next following the receipt by the Parliamentary corporation of his application.

(6) Sub-paragraphs (3), (4) and (5) above shall not apply where the application to purchase added years before the participating member ceased to be a member of the Parliament or a single mandate member was made under paragraph 2(2).

Purchase of added years by lump sum

6.—(1) Subject to sub-paragraph (2) below, a participating member may apply in writing to the Parliamentary corporation to purchase added years by a lump sum payment.

(2) The Parliamentary corporation shall accept an application to purchase added years under this paragraph if all the following conditions in respect of that application are satisfied:—

- (a) the participating member has not reached the age of 65;
- (b) the participating member applies to the Parliamentary corporation within the period of 12 months immediately following the date when he commenced a period of service as a single mandate member or within such longer period as the Parliamentary corporation may in special circumstances allow;
- (c) the participating member has not applied to the Parliamentary corporation under article J1 for an early pension because of ill-health;
- (d) the number of added years which the member applies to purchase does not exceed the maximum permitted by paragraph 8;
- (e) the participating member has supplied to the Parliamentary corporation such information and evidence as it may require; and
- (f) the participating member is, at the date the Parliamentary corporation receives the application, a single mandate member.

(3) A participating member who has applied to purchase added years under paragraph 2(2) and to whom paragraph 5(2) applies may, in respect of any such application if—

- (a) in consequence of his ceasing to be a member of the Parliament or a single mandate member, there has been a reduction in the number of added years which he is able to purchase in full;
- (b) the conditions of sub-paragraph (2)(c), (d) and (e) of this paragraph are satisfied in respect of the application made under this sub-paragraph; and
- (c) the application under this sub-paragraph is made within three months of his ceasing to be a participating member of the Parliament or a single mandate member,

apply in writing to the Parliamentary corporation to purchase by a lump sum payment some or all of the number of added years comprised in that reduction at the rate applicable at the member's birthday next following the receipt by the Parliamentary corporation of the application.

Lump sum payments

7.—(1) Any participating member who has applied to the Parliamentary corporation to purchase added years by a lump sum payment shall, within the period of six months commencing on the date when his application is accepted by the Parliamentary corporation, make the lump sum payment which shall be calculated by reference to a member's salary at the time when his application was received by the Parliamentary corporation and in accordance with tables to be prepared from time to time by the Government Actuary and the amount of his reckonable service as a single mandate member shall be increased accordingly with effect from the date on which the lump sum payment is received by the Parliamentary corporation.

(2) If, after an application to purchase added years by lump sum payment has been made by a participating member and accepted by the Parliamentary corporation, the payment is not received by the Parliamentary corporation within the period of six months mentioned in sub-paragraph (1) above, the application to purchase shall cease to be valid.

Limits on purchase of added years

8.—(1) Subject to sub-paragraph (2) below, the amount of a participating member's periodical contributions for the purchase of added years, when aggregated with his contributions as a participating member under article D1 and any other additional voluntary contributions, shall not in any tax year exceed 15% of his member's salary or, if that salary exceeds the permitted maximum, 15% of the permitted maximum.

(2) Sub-paragraph (1) above shall not apply to the purchase of added years by periodical contributions payable for a period of four years in accordance with paragraph 4(1)(b), and for the purpose of the calculation referred to in sub-paragraph (1) such periodical contributions shall be disregarded.

(3) If a participating member applies to the Parliamentary corporation to purchase added years by periodical contributions, the annual amount of periodical contributions payable by him in accordance with paragraph 4(a)(i), or for a period of five years in accordance with paragraphs 2(2) and 4(a)(ii), shall not be such as to exceed, at any time during the period such periodical contributions would be so payable, the amount (if any) by which for the time being—

(i) the annual amount of his periodical contributions referred to in sub-paragraph (3) of this paragraph (if any), aggregated with the annual amount of his contributions as a participating member under article D1 and any other additional voluntary contributions,

is less than—

(ii) the limit under sub-paragraph (1) of this paragraph.

(4) Subject to sub-paragraph (1) above, the maximum added years that a participating member may purchase both by lump sum payment and by periodical contributions shall be calculated so that his pension under one or both of articles F1 and F2, when aggregated with the pension equivalent of any lump sum under article G1 and any pension under the AVC Scheme or any additional voluntary contributions scheme, shall not exceed whichever may be appropriate of the limits set out in Schedule 2.

Further applications to purchase added years

9. Subject to the provisions of this Schedule, the Parliamentary corporation may accept more than one application from a participating member to purchase added years by the payment of periodical contributions or lump sum payments.

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General

10. The provisions of this Schedule are without prejudice to any maximum pension imposed in relation to a participating member by article F5 and Schedule 2 (maximum pensions payable).

SCHEDULE 6

Article R1

ADDITIONAL VOLUNTARY CONTRIBUTIONS

Interpretation

1.—(1) In this Schedule, unless the context otherwise requires—

“approved scheme” means a retirement benefits scheme approved under Chapter I of Part XIV of the Taxes Act 1988 or such other legislation as may be in force from time to time in respect of such approval;

“contributor” means a participant who is admitted to the AVC Scheme in accordance with paragraph 3(1);

“dependant” of a contributor means the contributor’s spouse and any eligible child of the contributor;

“free-standing additional voluntary contribution scheme” means an additional voluntary contribution scheme which is an approved scheme to which an employer does not contribute;

“index” has the same meaning as in Schedule 2;

“maximum pension” shall be construed in accordance with Schedule 2;

“pensionable service” has the same meaning as in Schedule 2;

“personal pension scheme” means a scheme approved under Chapter IV of Part XIV of the Taxes Act 1988;

“retained benefits” has the same meaning as in Schedule 2;

“retained death benefits” means any lump sum benefits payable on the contributor’s death derived from the sources set out in the definition of “retained benefits” in Schedule 2, but if the total of retained death benefit is less than £2,500 it may be disregarded:

Provided that benefits representing a return of the contributor’s own contributions plus interest thereon and benefits derived from a return of funds under retirement annuity contracts approved under section 620 of the Taxes Act 1988 or personal pension schemes may be ignored for this purpose;

“retirement benefits scheme” means a scheme within the meaning of section 611 of the Taxes Act 1988;

“service” has the same meaning as in Schedule 2.

(2) In this Schedule, “final remuneration” means the greater of—

(a) the highest emoluments of a person as a member of the Parliament and/or as an office holder which are assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined for any period of 12 months in the 5 years preceding the relevant date, and

(b) the yearly average of the total emoluments of a person as a member of the Parliament and/or as an office holder which are assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined for any 3 or more consecutive years ending not earlier than 10 years before the relevant date:

Provided that—

- (i) where final remuneration is computed by reference to any year other than the last complete year ending on the relevant date, the contributor's remuneration (as calculated in (a) above) or total emoluments (for the purposes of (b) above) of any year may be increased in proportion to any increase in the index from the last day of that year up to the relevant date;
- (ii) an early retirement pension in payment by virtue of Part H of this Scheme may not be included in final remuneration;
- (iii) a contributor in receipt of a much reduced remuneration by reason of incapacity for more than 10 years up to the relevant date may calculate final remuneration under (a) or (b) above with the final remuneration calculated at the cessation of normal pay and increased in accordance with the index;
- (iv) final remuneration shall not exceed the permitted maximum.

For the purposes of providing immediate benefits at the relevant date it is permitted to calculate final remuneration on the appropriate basis above using remuneration assessable to tax under Case I or II of Schedule E and upon which tax liability has not been determined. On determination of this liability final remuneration shall be recalculated. If this results in a lower final remuneration then benefits in payment shall be reduced as necessary. Where final remuneration is greater it is possible to augment the benefits in payment. Such augmentation, however, must take the form of an annuity.

Where immediate benefits are not being provided or where a transfer payment is to be made in respect of accrued pension benefits then final remuneration may only be calculated using remuneration assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined.

Administration

- 2.—(1) Paragraphs 4 and 5 of Schedule 1 shall have effect for the purposes of the AVC Scheme.
- (2) The Parliamentary corporation shall be responsible for the discharge of all duties imposed on the administrator of an AVC Scheme under Chapter I of Part XIV of the Taxes Act 1988.
- (3) Any sums received by the Parliamentary corporation by virtue of the AVC Scheme shall be paid into a suspense account or accounts used for the purpose of the AVC Scheme.

AVC contributors

- 3.—(1) Subject to sub-paragraphs (2) and (3) below, any participant may become a contributor to the AVC Scheme by making written application in such form as the Parliamentary corporation shall require and by having such application accepted.
- (2) A contributor may not make any contributions to the AVC Scheme after he has ceased to be a participant, but may make a further application under sub-paragraph (1) above if he again becomes a participant.
- (3) The Parliamentary corporation may, with effect from such date as it may determine, close the AVC Scheme to participants who are not contributors to the AVC Scheme at that date.

Contributions

- 4.—(1) A contributor may make contributions to the AVC Scheme of such amount within limits imposed by the Board of Inland Revenue, at such times and in such manner as may be specified by the Parliamentary corporation, with the approval of the institution with which the contributions are to be invested.

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(2) A contributor's contributions to the AVC Scheme in any tax year must not exceed whichever is the smaller of—

- (a) such amount determined by the Parliamentary corporation on a basis acceptable to the Board of Inland Revenue as is likely to provide benefits equal to the limits set out in paragraph 10; or
- (b) that percentage of the contributor's total salary which, together with any other contributions made by the contributor to any scheme (including this Scheme) providing benefits in respect of service, will bring the total of contributions to 15% of that salary, or where his annual salary exceeds the permitted maximum, to 15% of that permitted maximum.

(3) In sub-paragraph (2)(b) above, a contributor's total salary means—

- (a) in respect of a contributor who is a participating member and not a participating office holder, a member's salary;
- (b) in respect of a contributor who is both a participating member and a participating office holder, a member's salary and his office holder's salary;
- (c) in respect of a contributor who is a participating office holder and not a member of the Parliament, his office holder's salary.

(4) A transfer value to the AVC Scheme shall only be accepted by the Parliamentary corporation if it is from either—

- (a) a free-standing additional voluntary contributions scheme, which is not an appropriate personal pension scheme which satisfies the requirements prescribed under sections 9(3) and (5), 26 and 31(2) of the Pension Schemes Act 1993⁽¹²⁾; or
- (b) an additional voluntary scheme which is an approved scheme:

Provided that, in either case—

- (i) it is certified by the administrator of that scheme to represent only the realisable value of the contributor's own contributions to that scheme; and
- (ii) acceptance will not cause the contributor's benefits to exceed the limits set out in paragraph 10.

Investment of contributions

5.—(1) Each contributor's contributions shall be invested in such investments as the Parliamentary corporation may from time to time determine, save that such contributions may not be used for the purpose of making any loan whatsoever.

(2) Without prejudice to the generality of sub-paragraph (1) above, the Parliamentary corporation, in accordance with a contributor's instructions, may invest the contributor's contributions—

- (a) in an insurance policy or policies taken out with an insurance company, being a United Kingdom office or branch of an insurance company to which Part II of the Insurance Companies Act 1982⁽¹³⁾ applies and which is authorised under section 3 or 4 of that Act to carry on ordinary long-term insurance business; or
- (b) in a deposit account or accounts with a building society authorised by virtue of Part II of the Building Societies Act 1986⁽¹⁴⁾.

⁽¹²⁾ 1993 c. 48; section 9(3) was amended by the Pensions Act 1995 (c. 26), section 136(4), Schedule 5, paragraph 24 and Schedule 7, Part III.

⁽¹³⁾ 1982 c. 50.

⁽¹⁴⁾ 1986 c. 60.

(3) The Parliamentary corporation shall, as soon as practicable, invest the contributions, with the institution and in the manner chosen by the contributor, in order to provide benefits which fall within the scope of paragraph 6.

(4) The investments made in respect of a contributor with an institution may be realised and reinvested at the request of the contributor with that or any other institution determined by the Parliamentary corporation, in such amounts, at such times and in such manner as may be specified by the Parliamentary corporation, with the approval of the institutions concerned.

Benefits which may be provided

6.—(1) Subject to the limits set out in paragraph 10, a contributor shall be entitled to whatever benefits are secured by the contributions paid by him, and by any transfer value accepted under paragraph 4(4).

(2) The benefits normally permitted are—

- (a) a lump sum payable on the death of the contributor;
- (b) a return of the contributor's contributions in respect of retirement benefits to the extent of the total realisable value of the investments made by the Parliamentary corporation with the contributions made by the contributor, payable either on the death of the contributor before retirement or in the circumstances referred to in paragraph 9;
- (c) on the death of the contributor before retirement, a pension payable to the contributor's spouse throughout the remainder of his or her lifetime;
- (d) on the death of the contributor after retirement, a pension payable to one or more dependants throughout the remainder of their lifetime (save that, in the case of a child not falling within article K2(6)(c), the pension shall only be payable until the child reaches the age of 17 or, if later, until the child ceases to be within his period of full-time education or training as defined in article M6(2); and
- (e) a pension payable to the contributor from the contributor's retirement throughout the remainder of his or her lifetime, under which—
 - (i) payments may be guaranteed to be payable for up to 10 years after retirement in any event; or
 - (ii) payments may be guaranteed to be payable for up to 5 years after retirement with any balance in respect of any period between death and the expiry of the period of 5 years being paid in one lump sum on death.

(3) Pensions may be level in payment, increase at a fixed rate, vary in line with the index or with the value of units in a unit trust, managed fund or insurance company fund or be provided on a with-profits basis.

(4) In the case of benefits payable at or after a contributor's retirement, the choice of which of the above types of benefit shall be payable shall be made by the contributor at retirement.

Payment of lump sums on death

7.—(1) Any lump sum payable on a contributor's death shall be paid or applied (by way of settlement or otherwise) within 2 years of the contributor's death by the Parliamentary corporation to or for the benefit of any one or more of—

- (a) any individual nominated by the contributor in writing;
- (b) the contributor's dependants, children, parents, grandparents and descendants of such persons; and
- (c) the contributor's executors.

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(2) The decision as to which individual or individuals should receive part or all of the lump sum and how much each shall receive shall be at the discretion of the Parliamentary corporation.

(3) Any part of the lump sum which has not been so paid or applied within 2 years of the contributor's death shall be paid to the contributor's executors.

(4) For the purposes of this paragraph, a lump sum includes a refund of contributions.

Purchase of pensions

8.—(1) On or before the date of his retirement, the contributor shall specify in writing to the Parliamentary corporation the pension or pensions which are to be purchased on his behalf or on behalf of his dependants.

(2) The Parliamentary corporation shall purchase the pension or pensions specified under sub-paragraph (1) above from such insurer or friendly society as the Parliamentary corporation may determine from time to time or as the contributor may in writing specify, being either—

- (a) a company which is a United Kingdom branch or office of an insurance company to which Part II of the Insurance Companies Act 1982 applies and which is authorised under section 3 or 4 of that Act to carry on ordinary long-term insurance business; or
- (b) a friendly society authorised to carry on business under Part IV of the Friendly Societies Act 1992⁽¹⁵⁾.

(3) Where a contributor elects for the purchase of pensions to be provided by such insurer or friendly society as he may specify under sub-paragraph (2) above, (not being an insurer or friendly society determined by the Parliamentary corporation), the making of that election shall have the effect of discharging any liability of the Parliamentary corporation to pay those pensions to or in respect of that contribution.

Leaving the AVC Scheme

9.—(1) A contributor may cease to participate in the AVC Scheme at any time before benefits provided under paragraph 6 are taken by requiring the Parliamentary corporation (in such manner as may, subject to sections 95 and 96 of the Pension Schemes Act 1993, be specified by the Parliamentary corporation) to do one or more of the following as appropriate:—

- (a) to transfer the value of the contributor's accrued benefits to an approved scheme of a subsequent employer, or to a personal pension scheme subject, in each case, to that scheme being willing to accept the transfer value and meeting the prescribed requirements referred to in section 95(2) of the Pension Schemes Act 1993 (and in each case the Parliamentary corporation shall certify to the receiving scheme that the whole of the transfer value represents the realisable value of the contributor's contributions and that all of it must be used to secure a non-commutable pension) and after it has made such a transfer the Parliamentary corporation will be discharged from any obligation to provide any benefits to which the transfer value relates;
- (b) to use the value of the contributor's accrued benefits to purchase one or more insurance policies of the type described in section 95(2)(c) of the Pension Schemes Act 1993;
- (c) if the contributor's aggregate period of reckonable service as a participant, including any service whilst a member of a previous employer's pension scheme from which a transfer value has been paid to the Scheme (including a transfer value to the AVC Scheme), totals less than 2 years, to pay the contributor the value of his accrued benefits after deduction of any tax payable by the Parliamentary corporation.

(15) 1992 c. 40.

(2) For the purposes of this paragraph, the value of a contributor's accrued benefits shall be the total realisable value of the investments made by the Parliamentary corporation with the contributions paid by the contributor.

Maximum benefits

10.—(1) The lump sum benefit (exclusive of any refund of the contributor's own contributions and any transfer value received by the AVC Scheme in respect of the contributor plus interest if any) payable under the AVC Scheme on the death of a contributor while in service or (having left service with a deferred pension) before the commencement of the contributor's pension shall not, when aggregated with all other like benefits under the Scheme, personal pension schemes, free-standing additional voluntary contribution schemes and retained death benefits, exceed whichever is appropriate of—

- (a) 4 times final remuneration at the date of death; or
- (b) 4 times final remuneration at the date of leaving service,

and any remuneration in excess of the permitted maximum shall be disregarded.

(2) A contributor's pension payable under the AVC Scheme, when aggregated with any other pensions and the pension equivalent of any lump sums under the rest of the Scheme and any pension under a free-standing additional voluntary contributions scheme in respect of service, shall not exceed such maximum pension as it calculated in respect of that contributor in accordance with Schedule 2.

(3) Any pensions for dependants payable under the AVC Scheme, when aggregated with any pension payable to dependants under Part K or under a free-standing additional voluntary contributions scheme, shall not exceed an amount equal to two-thirds of the maximum pension—

- (a) payable to the contributor at the date of the contributor's death (including any pension increases given under sub-paragraph (5) below), or
- (b) being a deferred benefit, payable to the contributor at normal retirement date, or
- (c) prospectively payable to the contributor who dies in service had the contributor remained in service up to normal retirement date at the rate of pay in force immediately before the contributor's death, or
- (d) prospectively payable to the contributor who dies in service after normal retirement date before taking any benefit under the rest of the Scheme on the basis that the contributor had retired on the day before he died,

and, in whichever case applies, the maximum pension shall be calculated as if the contributor had no retained benefits.

(4) Where a contributor chooses as a benefit an index-linked pension, the maximum amount of the pension ascertained in accordance with sub-paragraph (3) or (4) above may be increased by up to 5% for each complete year, or, if greater, in proportion to any increase in the index which has occurred since payment of the pension commenced.

Surplus monies

11. The Parliamentary corporation shall comply with the requirements of regulation 5 (restriction on discretion to approve - other schemes) of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Additional Voluntary Contributions) Regulations 1993(16) and, where the AVC Scheme is the leading scheme in relation to a contributor, with the requirements of regulation 6 (calculation of surplus funds) of those Regulations so far as they concern main schemes.

(16) S.I. 1993/3016.

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Surrender at the request of the Parliamentary corporation

12.—(1) The Parliamentary corporation may require an institution with which contributions have been invested under the AVC Scheme to surrender the whole or part of the value of such contributions.

(2) If, pursuant to sub-paragraph (1) above, the Parliamentary corporation requires a surrender of the whole or part of the value of contributions, it shall reinvest such contributions in accordance with paragraph 5.

(3) If, on or before the date when the Parliamentary corporation exercises its right under sub-paragraph (1) above, a request has been received from a contributor under paragraph 5(4), the Parliamentary corporation may give effect to such request.

Taxation

13. Whenever the Parliamentary corporation as administrator of the AVC Scheme is liable for any tax in respect of any payment made to any person under this Schedule, it may deduct sums equal in total to such tax from any payments made to such person in such manner as it considers proper.

Expenses

14.—(1) The expenses of establishing and administering the AVC Scheme shall be borne by the Fund.

(2) Section 21(6) of the Scotland Act 1998 shall not apply to expenses to which sub-paragraph (1) above applies.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes transitional provision for pensions for members and office holders of the Scottish Parliament.

The main provisions are that—

- (i) the Scheme will be administered by the Scottish Parliamentary Corporate Body (Part B and Schedule 1);
- (ii) Scheme membership will be automatic for both ordinary members of the Scottish Parliament and specified office holders, with a right to opt out (Part C);
- (iii) contributions will be 6% of salary (article D1);
- (iv) normal retirement age will be 65 (article F1);
- (v) pensions will be calculated on the basis of 1/50th of the Scheme member's salary for each year of service, subject to a maximum of 2/3rds of final salary and subject to reduction for those who were also members of the UK or European Parliament (Parts E and F);
- (vi) at retirement there will be the option of commuting part of the pension into a tax-free lump sum, subject to a maximum of 1 and 1/2 times final salary (Part G and Schedule 3);

- (vii) in certain circumstances Scheme members who retire on or after age 50 may receive an abated pension (Part H and Schedule 4);
- (viii) Scheme members who retire early on grounds of ill-health will receive immediate payment of enhanced pension (Part J);
- (ix) a pension will be payable to a spouse on the death of the Scheme member. Where the death occurs before retirement the spouse will receive a pension equal to the member's salary for a period of three months, then at a rate of 5/8ths of the pension which would have been payable to the member at age 65 (articles K1, K3 and K4);
- (x) where the death occurs after retirement the spouse will receive a pension equal to the member's pension for three months, then at a rate of 5/8ths of the member's uncommuted pension (articles K1 and K4);
- (xi) if a Scheme member dies within five years of retirement, the spouse's pension is payable at the rate of the member's pension for the remainder of those five years and thereafter at the rate of 5/8ths of the member's uncommuted pension (article M2);
- (xii) pensions are also payable to any dependant children (articles K2 and K3);
- (xiii) where a Scheme member dies in service a gratuity of three times salary will be payable to a nominated person or persons (Part L);
- (xiv) contributions may be refunded where a person leaves the Scheme after less than two years' service (Part N);
- (xv) Scheme members will be able to transfer service to and from the Scheme (Part P);
- (xvi) where a Scheme member will not attain maximum pension before age 65, he will be able to increase benefits by either buying added years of service or paying additional voluntary contributions (Parts Q and R and Schedules 5 and 6);
- (xvii) the First Minister and Presiding Officer of the Parliament are excluded from office holder's membership of the Scheme. Separate provision is made for their pension, which is payable immediately on their leaving office at a rate of one half of the salary payable at that time (articles C2 and S1).