STATUTORY INSTRUMENTS

# 1977 No. 2039

# TRANSPORT

## PENSIONS AND COMPENSATION

# The British Railways Board (Funding of Pension Schemes) (No. 4) Order 1977

| | |
|---|---|
| *Made* - - - - | *7th December* 1977 |
| *Laid before the House of Commons* | *9th December* 1977 |
| *Coming into Operation* | *1st January* 1978 |

The Secretary of State for Transport, with the approval of the Treasury, hereby makes this Order in exercise of his powers under sections 5 and 6 of the Railways Act 1974(**a**) and of all other enabling powers:—

*Commencement citation*

**1.** This Order shall come into operation on 1st January 1978, and may be cited as the British Railways Board (Funding of Pension Schemes) (No. 4) Order 1977.

*Interpretation*

**2.**—(1) In this Order—

"the Act" means the Railways Act 1974;

"the No. 1 Order", "the No. 2 Order" and "the No. 3 Order" mean respectively, the British Railways Board (Funding of Pension Schemes) (No. 1) Order 1974(**b**), the British Railways Board (Funding of Pension Schemes) (No. 2) Order 1975(**c**), and the British Railways Board (Funding of Pension Schemes) (No. 3) Order 1976(**d**);

"obligation" shall be construed in accordance with section 6(3) of the Act;

"the prescribed obligations owed by the Railways Board", in connection with a pension scheme, means all the obligations from time to time owed by the Railways Board in connection with that scheme, other than any obligation excluded by section 5(2) of the Act;

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(**a**) 1974 c. 48.
(**b**) S.I. 1974/2005 (1974 III, p. 7011).
(**c**) S.I. 1975/2063 (1975 III, p. 7563).
(**d**) S.I. 1976/2117 (1976 III, p. 5883).

"the Railways Board" means the British Railways Board.

(2) The Interpretation Act 1889(a) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

*Variation of No. 1 Order*

**3.** The No. 1 Order, as varied by the No. 3 Order, is hereby further varied by substituting—

(*a*) in Article 4(1) of that Order for the words "the sum of £334,854,370" the words "the sum of £366,971,453";

(*b*) for the Schedule to that Order the Schedule set out in Schedule 1 to this Order (which makes certain changes in the amounts applicable to the British Railways (Wages Grades) Pension Fund, the Railway Clearing System Superannuation Fund and the B.R. (1974) Pension Fund).

*Further Funding of obligations*

**4.**—(1) For the purposes of funding the prescribed obligations owed by the Railways Board in connection with the pension schemes listed in column (1) of Schedule 2 to this Order the Railways Board shall provide the sum of £219,715,877 which shall be apportioned between those schemes in the manner set out in that Schedule, the sum apportioned to each scheme specified in column (1) of that Schedule being set against that scheme in column (2) of that Schedule.

(2) The debt of the Railways Board constituted by a sum apportioned as aforesaid shall be paid off by the Board during the period beginning on the 1st April 1979 and ending on the 1st April 1986 by instalments of the amounts set against that sum in columns (3) to (10) (inclusive) of Schedule 2 to this Order, the instalments specified in each of those columns being payable by the Railways Board on the date stated at the head of that column.

(3) Interest on the outstanding amount of each such debt shall be payable by the Railways Board at the rate of 2.887 per cent. per annum, the first payment of interest to be made on the 31st March 1978 and the subsequent payments to be made at three monthly intervals thereafter.

(4) For the purposes of section 5(5)(a) of the Act the minimum amount of the principal of the debt of the Railways Board constituted by virtue of this Order in relation to a pension scheme specified in column (1) of Schedule 2 to this Order shall be the sum set against that scheme in column (11) of that Schedule.

*Funding to be supplemental to that provided for by previous Orders and to be partial only*

**5.** In relation to the pension schemes listed in Schedule 2 to this Order the funding of the obligations provided for by Article 4 of this Order is supplemental to that provided for by the applicable provisions of the No. 1 Order, the No. 2 Order and the No. 3 Order, and is partial only.

(a) 1889 c. 63.

*William Rodgers*

7th December 1977. Secretary of State for Transport.

We approve the making of this Order.

*J. Dormand*

*T. E. Graham*

7th December 1977. Two of the Lords Commissioners of Her Majesty's Treasury.

*Article* 3

# SCHEDULE 1

## REVISED SCHEDULE TO THE NO. 1 ORDER

"THE SCHEDULE

| (1) Pension Scheme | (2) Sum apportioned to each Scheme | Amounts of instalments and dates of payment | | | | | | | | (11) Minimum Amount of debt |
|---|---|---|---|---|---|---|---|---|---|---|
| | | (3) 1.4.1979 | (4) 1.4.1980 | (5) 1.4.1981 | (6) 1.4.1982 | (7) 1.4.1983 | (8) 1.4.1984 | (9) 1.4.1985 | (10) 1.4.1986 | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| British Railways Superannuation Fund: | | | | | | | | | | |
| New Section | 115,083,930 | 6,306,599 | 7,281,360 | 9,375,888 | 11,819,120 | 14,637,525 | 17,904,758 | 21,695,622 | 26,063,058 | 92,067,144 |
| Amalgamated Sections | 24,817,173 | 1,359,981 | 1,570,183 | 2,021,855 | 2,548,724 | 3,156,497 | 3,861,056 | 4,678,534 | 5,620,343 | 19,853,738 |
| Br.tish Railways (Wages Grades) Pension Fund | 54,285,423 | 2,974,841 | 3,434,639 | 4,422,633 | 5,575,113 | 6,904,563 | 8,445,726 | 10,233,888 | 12,294,020 | 48,945,580 |
| British Transport Police Force Superannuation Fund | 4,464,000 | 244,627 | 282,437 | 363,682 | 458,453 | 567,776 | 694,509 | 841,553 | 1,010,963 | 3,571,200 |
| Railway Clearing System Superannuation Fund | 1,004,000 | 55,019 | 63,523 | 81,796 | 103,111 | 127,699 | 156,202 | 189,274 | 227,376 | 1,004,000 |
| Great Northern Railway Superannuation Fund | 426,000 | 23,345 | 26,953 | 34,706 | 43,750 | 54,183 | 66,277 | 80 310 | 96,476 | 340,800 |
| Great Western Railway Supplemental Pension Reserve Fund | 7,033,000 | 385,408 | 444,978 | 572,979 | 722,289 | 894,527 | 1,094,194 | 1,325,861 | 1,592,764 | 5,626,400 |
| B.R. (1974) Pension Fund | 158,995,651 | 8,712,962 | 10,059,655 | 12,953,376 | 16,328,853 | 20,222,657 | 24,736,543 | 29,973.860 | 36,007,745 | 127,454,901 |
| London Midland & Scottish Railway (LNW) Provident and Pension Society | 758,000 | 41,538 | 47,959 | 61,754 | 77,847 | 96,410 | 117,930 | 142,898 | 171,664 | 41,538 |
| London Midland and Scottish Railway (LNW) Insurance Society | 5,000 | 274 | 316 | 407 | 514 | 636 | 778 | 943 | 1,132 | 274 |
| London Midland and Scottish Railway (LNW) Supplementary Pension Fund and Locomotive Foremen's Pension Fund | 414 | 23 | 26 | 33 | 43 | 53 | 65 | 78 | 93 | 55 |
| North British Railway Insurance Society | 862 | 47 | 54 | 70 | 89 | 110 | 134 | 163 | 195 | 110 |
| Lancashire & Yorkshire Railway Pension Fund Society | 65,000 | 3,562 | 4,113 | 5,296 | 6,676 | 8,267 | 10,113 | 12,254 | 14,719 | 3,562 |
| London Midland & Scottish Railway Midland Friendly Society | 12,000 | 658 | 759 | 978 | 1,232 | 1,526 | 1,867 | 1,262 | 2,718 | 658 |
| London Midland and Scottish Railway (North Staffordshire Section) Friendly Society | 21,000 | 1,151 | 1,329 | 1,711 | 2,157 | 32,671 | 3,267 | ,959 | 4,755 | 1,151 |
| TOTAL | 366,971,453 | 20,110,035 | 23,218,284 | 29,897,164 | 37,687,971 | 46,675,100 | 57,093,419 | 69,181,459 | 83,108,021 | 298,911,111" |

## SCHEDULE 2

*Article 4*

PENSION SCHEMES FOR WHICH FUNDING IS PROVIDED BY THIS ORDER

| (1) Pension Scheme | (2) Sum apportioned to each Scheme | Amounts of instalments and dates of payment | | | | | | | | (11) Minimum Amount of debt |
|---|---|---|---|---|---|---|---|---|---|---|
| | | (3) 1.4.1979 | (4) 1.4.1980 | (5) 1.4.1981 | (6) 1.4.1982 | (7) 1.4.1983 | (8) 1.4.1984 | (9) 1.4.1985 | (10) 1.4.1986 | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| British Railways Superannuation Fund: | | | | | | | | | | |
| New Section | 189,420,120 | 10,380,223 | 11,984,611 | 15,432,057 | 19,453,446 | 24,092,345 | 29,469,982 | 35,709,481 | 42,897,975 | 142,065,090 |
| Amalgamated Sections | 9,350,389 | 512,401 | 591,599 | 761,776 | 960,285 | 1,189,276 | 1,454,734 | 1,762,735 | 2,117,583 | 2,805,117 |
| British Transport Police Force Superannuation Fund | 20,945,368 | 1,147,806 | 1,325,214 | 1,706,419 | 2,151,089 | 2,664,041 | 3,258,680 | 3,948,621 | 4,743,498 | 15,709,026 |
| TOTAL | 219,715,877 | 12,040,430 | 13,901,424 | 17,900,252 | 22,564.820 | 27,945,662 | 34,183,396 | 41,420,837 | 49,759,056 | 160,579,233 |

## EXPLANATORY NOTE

*(This Note is not part of the Order.)*

This Order varies the British Railways Board (Funding of Pension Schemes) (No. 1) Order 1974 (which was itself varied by the British Railways Board (Funding of Pension Schemes) (No. 3) Order 1976 by increasing by £32,117,083 the sum to be provided by the British Railways Board pursuant to that Order, and by making certain changes in the sums apportioned to three of the pension schemes to which that Order applies.

These changes comprise—

(*a*) a reduction of £6,896,552 and £251,000 in the sums apportioned to the British Railways (Wages Grades) Pension Fund and the Railway Clearing System Superannuation Fund respectively (to take account of reductions in the estimated requirements of these funds), and

(*b*) an increase of £39,264,635 in the sum apportioned to the B.R. (1974) Pension Fund (to take account of increases in the estimated requirement of this fund),

together with consequential adjustments in the instalments payable to all three pension schemes and in the minimum amount of debt apportioned to the B.R. (1974) Pension Fund.

This Order also prescribes the sum of £219,715,877 as the sum to be provided by the British Railways Board, and to be paid by the Board in instalments during the period beginning on the 1st April 1979 and ending on the 1st April 1986, for the purpose of effecting a partial funding of the Board's obligations in connection with certain of their pension schemes listed in Schedule 2 to this Order. The apportionment of this sum between the various pension schemes and the requirements as to the amounts of the instalments, the dates for their payment, the rate of interest and the dates for the payment of interest are also provided for in the Order (Article 4 and Schedule 2).

The funding obligations provided for by this Order is supplemental to that provided for by the British Railways Board (Funding of Pension Schemes) (No. 1) Order 1974, the British Railways Board (Funding of Pension Schemes) (No. 2) Order 1975 and the British Railways Board (Funding of Pension Schemes) (No. 3) Order 1976.

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