

Status: Point in time view as at 06/04/2016.

Changes to legislation: There are currently no known outstanding effects for the Pensions Act 2014, Cross Heading: Welfare Reform and Pensions Act 1999 (c. 30). (See end of Document for details)

SCHEDULES

SCHEDULE 11

PENSION SHARING: AMENDMENTS

Welfare Reform and Pensions Act 1999 (c. 30)

9 The Welfare Reform and Pensions Act 1999 is amended as follows.

Commencement Information

II Sch. 11 para. 9 in force at 6.4.2016, see s. 56(1)(4)

10 (1) Section 47 (shareable state scheme rights) is amended as follows.

(2) After subsection (1) insert—

“(1A) For the purposes of this Chapter, a person's shareable state scheme rights are—

- (a) the person's shareable old state scheme rights;
- (b) the person's shareable new state scheme rights.”

(3) In subsection (2)—

- (a) after “shareable” insert “ old ”;
- (b) in paragraph (b), after “55A” insert “ or 55AA ”.

(4) After subsection (2) insert—

“(3) For the purposes of this Chapter, a person's shareable new state scheme rights are the person's entitlement, or prospective entitlement, to the excess amount in a state pension under section 4 of the Pensions Act 2014.

(4) “The excess amount”, in relation to a state pension under section 4 of the Pensions Act 2014, means any amount by which the rate of the pension exceeds the full rate of the state pension (see section 3 of that Act).

(5) In determining the rate of a state pension under section 4 of the Pensions Act 2014 for the purposes of this Chapter, ignore Schedule 6 to that Act (reduced rate elections: effect on rate of section 4 pension).”

Commencement Information

I2 Sch. 11 para. 10 in force at 6.4.2016, see s. 56(1)(4)

11 In section 48 (activation of benefit sharing), in subsection (1), for the words from the beginning to “shareable state scheme rights” substitute “ Section 49 or 49A applies where any of the following has taken effect in relation to a person's shareable state scheme rights ”.

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Commencement Information

- I3** Sch. 11 para. 11 in force at 5.2.2015 for specified purposes by S.I. 2015/134, art. 2(1)(4)(k)
I4 Sch. 11 para. 11 in force at 6.4.2016 so far as not brought into force earlier by an order, see s. 56(1)(4)

12 (1) Section 49 (creation of state scheme pension debits and credits) is amended as follows.

(2) For subsection (1) substitute—

“(A1) This section applies if—

- (a) the transferor is in the old state pension system, or
- (b) the transferor is in the new state pension system but the transfer day was before 6 April 2016.

(1) Where this section applies because of a relevant order or provision—

- (a) the transferor is subject, for the purposes of the relevant state pension legislation, to a debit of the appropriate amount, and
- (b) the transferee is entitled, for the purposes of the relevant state pension legislation, to a credit of that amount.”

(3) In subsection (2), after “shareable” insert “ old ”.

(4) In subsection (3)(b), for “relevant” substitute “ shareable old ”.

(5) After subsection (5) insert—

“(5A) The fact that a person who reaches pensionable age on or after 6 April 2016 is not entitled to a pension of the kind mentioned in section 47(2)(a) or (b) does not affect the calculation under this section of the appropriate amount by reference to the transferor's prospective entitlement, immediately before the transfer day, to a pension of that kind.”

(6) In subsection (6), at the appropriate place insert—

““the relevant state pension legislation”—

- (a) in relation to a transferor or transferee in the old state pension system, means Part 2 of the Contributions and Benefits Act, and
- (b) in relation to a transferor or transferee in the new state pension system, means Part 1 of the Pensions Act 2014.”

(7) At the end of the heading insert “ : transferor in old state pension system or pension sharing activated before 6 April 2016 ”.

Commencement Information

- I5** Sch. 11 para. 12 in force at 6.4.2016, see s. 56(1)(4)

13 After section 49 insert—

“49A Creation of debits and credits: transferor in new state pension system and sharing activated on or after 6 April 2016

(1) This section applies if—

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- (a) the transferor is in the new state pension system, and
 - (b) the transfer day is 6 April 2016 or any later date.
- (2) Where this section applies because of a relevant order or provision—
- (a) the transferor is subject, for the purposes of section 14 of the Pensions Act 2014, to a debit of the shared weekly amount, and
 - (b) the transferee is entitled, for the purposes of the relevant state pension legislation, to a credit of the shared weekly amount.
- (3) The shared weekly amount is the specified percentage of the excess amount of the transferor's state pension under section 4 of the Pensions Act 2014 as at the transfer day.
- (4) For the purposes of calculating the shared weekly amount—
- (a) a transferor who is under pensionable age on the transfer day is to be treated as having reached pensionable age and to have become entitled to the state pension under section 4 of the Pensions Act 2014 on the transfer day;
 - (b) a transferor who has reached pensionable age on the transfer day but who has not yet become entitled to the state pension under section 4 of the Pensions Act 2014 is to be treated as having become entitled to the pension on that day.
- (5) In this section—
- “the excess amount” has the meaning given by section 47(4);
 - “relevant order or provision” means the order or provision by virtue of which this section applies (see section 48);
 - “the relevant state pension legislation”—
 - (a) in relation to a transferee in the old state pension system, means Part 2 of the Contributions and Benefits Act, and
 - (b) in relation to a transferee in the new state pension system, means Part 1 of the Pensions Act 2014;
 - “specified percentage” means the percentage specified in the relevant order or provision for the purposes of subsection (3);
 - “transfer day” means the day on which the relevant order or provision takes effect;
 - “transferor” means the person to whose rights the relevant order or provision relates;
 - “transferee” means the person for whose benefit the relevant order or provision is made.”

Commencement Information

I6 Sch. 11 para. 13 in force at 6.4.2016, see s. 56(1)(4)

- 14 (1) Section 51 (interpretation) is amended as follows.
- (2) The current text becomes subsection (1).
- (3) In that subsection for the definition of “shareable state scheme rights” substitute—

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““shareable state scheme rights”, and related expressions, have the meaning given by section 47;”.

(4) After that subsection insert—

“(2) For the purposes of this Chapter—

- (a) a person is in the old state pension system if the person reached pensionable age before 6 April 2016 (or would have done so if the person had lived until pensionable age), and
- (b) a person is in the new state pension system if the person reached pensionable age on or after 6 April 2016 (or will do so if the person lives until pensionable age).”

Commencement Information

I7 Sch. 11 para. 14 in force at 6.4.2016, see s. 56(1)(4)

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