



2008 CHAPTER 13

PART 1

PENSION SCHEME MEMBERSHIP FOR JOBHOLDERS

CHAPTER 7

APPLICATION AND INTERPRETATION

General

Interpretation of Part

78. In this Part—

“active member”—

- (a) in relation to an occupational pension scheme, means a person who is in pensionable service under the scheme;
- (b) in relation to a personal pension scheme, means a jobholder in relation to whom there is an agreement within section 26(4) between the provider of the scheme and the employer or (where section 9 applies) a worker in relation to whom there are direct payment arrangements (within the meaning of section 107A of the Pension Schemes Act) between the worker and the employer;

“automatic enrolment scheme” is to be read in accordance with section 3(8);

“average salary benefits” means benefits the rate or amount of which is calculated by reference to the average salary of a member over the period of service on which the benefits are based;

“contract of employment” has the meaning given by section 70;

“defined benefits”, in relation to a member of an occupational pension scheme, means benefits which are not money purchase benefits (but the rate or amount of which is calculated by reference to earnings or service of the member or any other factor other than an amount available for their provision);

“defined benefits scheme” means an occupational pension scheme under which all the benefits that may be provided are defined benefits;

“employer” and “employment” have the meaning given by section 70;

“enrolment duty” means a duty under section 3(2), 5(2), 7(3) or 9(2);

“hybrid scheme” means an occupational pension scheme which is neither a defined benefits scheme nor a money purchase scheme;

the “IORP Directive” means Directive [2003/41/EC](#) of the European Parliament and of the Council on the activities and supervision of institutions for occupational retirement provision;

“jobholder” has the meaning given by section 1(1);

“money purchase benefits”, in relation to a member of a pension scheme, means benefits the rate or amount of which is calculated by reference to a payment or payments made by the member or by any other person in respect of the member and which are not average salary benefits;

“money purchase scheme” means an occupational pension scheme under which all the benefits that may be provided are money purchase benefits;

“occupational pension scheme” has the meaning given by section 18;

“pension scheme” has the meaning given by section 1(5) of the Pension Schemes Act;

“pensionable age” has the meaning given by the rules in paragraph 1 of Schedule 2 to the 1995 Order;

“pensionable service”, in relation to a member of an occupational pension scheme, means service in any description of employment to which the scheme relates which qualifies the member (on the assumption that it continues for the appropriate period) for pension or other benefits under the scheme;

“personal pension scheme” has the meaning given by section 19;

“provider”—

(a) in relation to a personal pension scheme to which section 26 applies, means the person referred to in subsection (1)(b) of that section;

(b) in relation to any other personal pension scheme, has the meaning prescribed;

“qualifying earnings” has the meaning given by section 13;

“qualifying scheme” is to be read in accordance with section 2(5);

“tax year” means the 12 months beginning with 6th April in any year;

“trustee or manager” is to be construed in accordance with section 173 of the Pension Schemes Act (trustees or managers of schemes);

“worker” has the meaning given by section 70.