



# Social Security (Miscellaneous Provisions) Act 1977

## 1977 CHAPTER 5

### *Other miscellaneous provisions*

#### **21 Calculation of guaranteed minimum pensions preserved under approved arrangements**

- (1) Where an occupational pension scheme ceases to be contracted-out and guaranteed minimum pension rights or accrued rights to guaranteed minimum pensions under the scheme are subject to approved arrangements (as defined in section 44 of the Pensions Act for the purposes of subsection (2) of that section) for their preservation, then, except in such circumstances as may be prescribed, section 35(5) of that Act shall have effect, unless the prescribed person otherwise elects in the prescribed manner, as if the following words were added at the end thereof: " except such an order made in any of the tax years comprised in the period of five years ending with the tax year in which the scheme ceases to be contracted-out; and as increased by 12 per cent. for each of those five tax years except any in which an order under section 21 of this Act was made which did not relate to the factor and any in which such an order was not made and would not have related to the factor if it had been made ".
- (2) Regulations may provide that subsection (1) above shall have effect with prescribed modifications in relation to a scheme which, immediately before it ceased to be contracted-out, contained provisions authorised by section 35(7) of the Pensions Act.
- (3) In this section expressions used in Part III of the Pensions Act have the same meanings as in that Part.