



Pension Schemes Act 1993

1993 CHAPTER 48

PART V

ANNUAL INCREASES OF PENSIONS IN PAYMENT

CHAPTER I

PENSIONS UNDER FINAL SALARY SCHEMES ETC.

^{F1}102 Scope of Chapter I: annual increase of certain occupational pensions.

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Textual Amendments

F1 Ss. 102-108 repealed (6.4.1997) by [Pensions Act 1995 \(c. 26\)](#), s. 180(1), Sch. 3 para. 25, [Sch. 7 Pt. I](#); [S.I. 1997/664](#), art. 2(3), [Sch. Pt. II](#) (with art. 6)

Commencement Information

II Ss. 1-187 in force at 7.2.1994 by [S.I. 1994/86](#), [art. 2](#)

^{F1}103 Annual increase of later service component.

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Textual Amendments

F1 Ss. 102-108 repealed (6.4.1997) by [Pensions Act 1995 \(c. 26\)](#), s. 180(1), Sch. 3 para. 25, [Sch. 7 Pt. I](#); [S.I. 1997/664](#), art. 2(3), [Sch. Pt. II](#) (with art. 6)

Status: Point in time view as at 27/04/2005.

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Commencement Information

II Ss. 1-187 in force at 7.2.1994 by [S.I. 1994/86, art. 2](#)

F1 104 Annual increase of earlier service component where scheme is in surplus.

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Textual Amendments

F1 Ss. 102-108 repealed (6.4.1997) by [Pensions Act 1995 \(c. 26\), s. 180\(1\), Sch. 3 para. 25, Sch. 7 Pt. I; S.I. 1997/664, art. 2\(3\), Sch. Pt. II](#) (with art. 6)

Commencement Information

II Ss. 1-187 in force at 7.2.1994 by [S.I. 1994/86, art. 2](#)

F1 105 Proportional increase where first period is less than 12 months.

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Textual Amendments

F1 Ss. 102-108 repealed (6.4.1997) by [Pensions Act 1995 \(c. 26\), s. 180\(1\), Sch. 3 para. 25, Sch. 7 Pt. I; S.I. 1997/664, art. 2\(3\), Sch. Pt. II](#) (with art. 6)

Commencement Information

II Ss. 1-187 in force at 7.2.1994 by [S.I. 1994/86, art. 2](#)

F1 106 Restriction on increase where member is under 55.

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Textual Amendments

F1 Ss. 102-108 repealed (6.4.1997) by [Pensions Act 1995 \(c. 26\), s. 180\(1\), Sch. 3 para. 25, Sch. 7 Pt. I; S.I. 1997/664, art. 2\(3\), Sch. Pt. II](#) (with art. 6)

Commencement Information

II Ss. 1-187 in force at 7.2.1994 by [S.I. 1994/86, art. 2](#)

F1 107 Application of Chapter I to pensions not attributable to pensionable service.

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Textual Amendments

F1 Ss. 102-108 repealed (6.4.1997) by [Pensions Act 1995 \(c. 26\), s. 180\(1\), Sch. 3 para. 25, Sch. 7 Pt. I; S.I. 1997/664, art. 2\(3\), Sch. Pt. II](#) (with art. 6)

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Commencement Information

II Ss. 1-187 in force at 7.2.1994 by [S.I. 1994/86, art. 2](#)

108 No payments to employers from non-complying schemes.

[^{F1}(1) No payment shall be made out of the resources of a qualifying scheme which is constituted by trust deed to or for a person who is or has been the employer of persons in the description or category of employment to which the scheme relates until such time as provision has been made by the scheme for every pension which commences or has commenced under it to be increased as mentioned in section 102(2)(b).

(2) Nothing in subsection (1) applies in relation to payments made to or for a person by virtue of his or any other person's membership of the scheme in question.]

Textual Amendments

F1 Ss. 102-108 repealed (6.4.1997) by [Pensions Act 1995 \(c. 26\), s. 180\(1\), Sch. 3 para. 25, Sch. 7 Pt. I; S.I. 1997/664, art. 2\(3\), Sch. Pt. II](#) (with art. 6)

Commencement Information

II Ss. 1-187 in force at 7.2.1994 by [S.I. 1994/86, art. 2](#)

CHAPTER II

GUARANTEED MINIMUM PENSIONS

109 Annual increase of guaranteed minimum pensions.

(1) The Secretary of State shall in each tax year review the general level of prices in Great Britain for the period of 12 months commencing at the end of the period last reviewed under this section.

(2) Where it appears to the Secretary of State that that level has increased at the end of the period under review, he shall lay before Parliament the draft of an order specifying a percentage by which there is to be an increase of the rate of that part of guaranteed minimum pensions which is attributable to earnings factors for [^{F2}the tax years in the relevant period] for—

- (a) earners who have attained pensionable age; and
- (b) widows and widowers.

(3) The percentage shall be—

- (a) the percentage by which that level has increased at the end of the period under review; or
- (b) 3 per cent.,

whichever is less.

[^{F3}(3A) The relevant period is the period—

- (a) beginning with the tax year 1988-89, and
- (b) ending with the last tax year that begins before the principal appointed day for the purposes of Part III of the Pensions Act 1995]

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- (4) If a draft order laid before Parliament in pursuance of this section is approved by a resolution of each House, the Secretary of State shall make the order in the form of the draft.
- (5) An order under this section shall be so framed as to bring the alterations to which it relates into force on the first day of the next tax year after that in which the order is made.
- (6) Where the benefits mentioned in section 46(1) to (7) are not increased on the day on which an order under this section takes effect, the order shall be treated for the purposes of that section as not taking effect until the day on which those benefits are next increased.

Textual Amendments

- F2** Words in s. 109(2) substituted (4.2.1997) by Pensions Act 1995 (c. 26), ss. 55(a), 180(1) (with s. 121(5)); S.I. 1997/216, art. 2(2)
- F3** S. 109(3A) inserted (4.2.1997) by Pensions Act 1995 (c. 26), ss. 55(b), 180(1) (with s. 121(5)); S.I. 1997/216, art. 2(2)

Modifications etc. (not altering text)

- C1** S. 109 modified (6.4.2000) by The Guaranteed Minimum Pensions Increase Order 2000 (S.I. 2000/425), arts. 1, 2

Commencement Information

- I1** Ss. 1-187 in force at 7.2.1994 by S.I. 1994/86, art. 2

110 Requirement as to resources for annual increase of guaranteed minimum pensions.

- (1) Except as permitted by [^{F4}section 53 of the Pensions Act 1995], the trustees or managers of a scheme may not make an increase in a person’s pension which is required by virtue of section 109 out of money which would otherwise fall to be used for the payment of benefits under the scheme to or in respect of that person unless—
 - (a) the payment is to an earner in respect of the tax year in which he attains pensionable age and the increase is the one required to be made in the next tax year; or
 - (b) the payment is to a person as the widow or widower of an earner who died before attaining pensionable age and is in respect of the tax year in which the person became a widow or widower, and the increase is the one required to be made in the next tax year.

- ^{F5}(2)
- ^{F5}(3)
- ^{F5}(4)

Textual Amendments

- F4** Words in s. 110(1) substituted (6.4.1997) by Pensions Act 1995 (c. 26), ss. 53(4)(b), 180(1) (with s. 121(5)); S.I. 1997/664, art. 2(3), Sch. Pt. 2

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F5 S. 110(2)-(4) repealed (6.4.1997) by Pensions Act 1995 (c. 26), ss. 53(4)(a), 180(1), **Sch. 7 Pt. I** (with s. 121(5)); S.I. 1997/664, art. 2(3), Sch. Pt. 2

Commencement Information

I1 Ss. 1-187 in force at 7.2.1994 by S.I. 1994/86, **art. 2**

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