

Status: Point in time view as at 03/01/2012.

Changes to legislation: Pension Schemes Act 1993, Cross Heading: The revaluation percentage and the appropriate revaluation percentage is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 3

METHODS OF REVALUING ACCRUED PENSION BENEFITS

Commencement Information

II Schs. 1-4 in force at 7.2.1994 by S.I. 1994/86, art. 2

The revaluation percentage and the appropriate revaluation percentage

- 2 (1) For the purposes of paragraph 1 the Secretary of State shall in each calendar year by order [^{F1}specify (so far as it is necessary to do so)—
- (a) a higher revaluation percentage, and
 - (b) a lower revaluation percentage,
- for each period] which is a revaluation period in relation to that order.
- (2) A period is a “revaluation period”, in relation to an order under this paragraph, if it is a period which—
- (a) begins with 1st January 1986 or with an anniversary of that date falling before the making of the order; and
 - (b) ends with the next day after the making of the order which is 31st December.
- [^{F2}(3) The higher revaluation percentage which the Secretary of State is to specify in relation to a revaluation period is the lesser of—
- (a) the percentage which appears to the Secretary of State to be the percentage increase in the general level of prices in Great Britain during the period which is the reference period in relation to the revaluation period (“the inflation percentage”), and
 - (b) the higher maximum rate.
- (3A) The lower revaluation percentage which the Secretary of State is to specify in relation to a revaluation period is the lesser of—
- (a) the percentage which appears to the Secretary of State to be the inflation percentage, and
 - (b) the lower maximum rate.]
- (4) The Secretary of State may estimate the percentage increase mentioned in sub-paragraph (3)(a) in such manner as he thinks fit.
- (5) For the purposes of that sub-paragraph, the reference period in relation to a revaluation period is—
- (a) in the case of the revaluation period beginning on 1st January 1986, the period which begins with 1st October 1985 and ends with the last day before the making of the order which is 30th September; and

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- (b) in the case of the revaluation periods with later commencement dates, the period which—
- (i) begins with the last day before the commencement of the revaluation period which is 1st October; and
 - (ii) ends with the last day before the making of the order which is 30th September.

[^{F3}(6) For the purposes of sub-paragraph (3)(b) and (3A)(b)—

“the higher maximum rate”, in relation to a revaluation period, is—

- (a) in the case of a revaluation period of 12 months, 5 per cent; and
- (b) in any other case, the percentage that would be the inflation percentage had the general level of prices increased at the rate of 5 per cent compound per annum during the reference period in question;

“the lower maximum rate”, in relation to a revaluation period, is—

- (a) in the case of a revaluation period of 12 months, 2.5 per cent; and
- (b) in any other case, the percentage that would be the inflation percentage had the general level of prices increased at the rate of 2.5 per cent compound per annum during the reference period in question.

(7) In paragraph 1—

“the appropriate higher revaluation percentage” means the higher revaluation percentage specified in the last calendar year before the date on which the member attains normal pension age as the higher revaluation percentage for the revaluation period which is of the same length as the number of complete years in the pre-pension period;

“the appropriate lower revaluation percentage” has a corresponding meaning.]

Textual Amendments

- F1** Words in *Sch. 3 para. 2(1)* substituted (6.4.2009) by *Pensions Act 2008 (c. 30)*, s. 149(1), **Sch. 2 para. 3(2)** (with s. 101(2)(3)); S.I. 2009/82, art. 2(2)(f)
- F2** *Sch. 3 para. 2(3)(3A)* substituted for *Sch. 3 para. 2(3)* (6.4.2009) by *Pensions Act 2008 (c. 30)*, s. 149(1), **Sch. 2 para. 3(3)** (with s. 101(2)(3)); S.I. 2009/82, art. 2(2)(f)
- F3** *Sch. 3 para. 2(6)(7)* substituted (6.4.2009) by *Pensions Act 2008 (c. 30)*, s. 149(1), **Sch. 2 para. 3(4)** (with s. 101(2)(3)); S.I. 2009/82, art. 2(2)(f)

[^{F4}2A (1) This paragraph applies to the pension or other benefit if the rules of the scheme under which it is payable contain a requirement that the accrued benefit be revalued by adding to the accrued benefit an amount of at least the relevant amount.

- (2) “The accrued benefit” has the same meaning as in paragraph 1.
- (3) “The relevant amount” means the amount which, ignoring paragraph 1(5) and (6), would be the additional amount specified in paragraph 1(1A), (1B), (1C) or (1D) (as the case may be) were the appropriate higher revaluation percentage and the appropriate lower revaluation percentage to be determined on the following basis.
- (4) The higher revaluation percentage and the lower revaluation percentage for the revaluation period mentioned in paragraph 2(7) are to be taken to be the percentages which would have been specified in the Secretary of State's order—
 - (a) had the following been substituted for paragraph 2(3)(a)—

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- “(a) the percentage increase in the retail prices index for the reference period in relation to the revaluation period (“the inflation percentage”), and”,
- (b) had, in paragraph 2(3A)(a), the words “the percentage which appears to the Secretary of State to be” been omitted,
- (c) had paragraph 2(4) been omitted,
- (d) had, in paragraph 2(5), the words “sub-paragraph (3)(a)” been substituted for “that sub-paragraph”,
- (e) had, in paragraph (b) of the definitions of “the higher maximum rate” and “the lower maximum rate” in paragraph 2(6), the words “retail prices index” been substituted for “general level of prices”, and
- (f) had the following been inserted after paragraph 2(6)—
 - “(6A) In this paragraph “retail prices index” means—
 - (a) the general index of retail prices (for all items) published by the Statistics Board (or any predecessor), or
 - (b) where that index is not published for a month, any substituted index or figures published by the Board (or any predecessor).”]

Textual Amendments

F4 Sch. 3 para. 2A inserted (3.1.2012) by Pensions Act 2011 (c. 19), ss. 19(6), 38(4); S.I. 2011/3034, art. 3(b)

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