



Pension Schemes Act 1993

1993 CHAPTER 48

PART III

CERTIFICATION OF PENSION SCHEMES AND EFFECTS ON MEMBERS' STATE SCHEME RIGHTS AND DUTIES

CHAPTER I

CERTIFICATION

Requirements for certification of occupational pension schemes providing guaranteed minimum pensions

16 Revaluation of earnings factors for purposes of s. 14: early leavers etc

- (1) Subject to subsection (2), for the purpose of section 14(2) the earner's earnings factor for any relevant year (so far as derived as mentioned in that section) shall be taken to be that factor as increased by the same percentage as that prescribed for the increase of that factor by the last order under section 21 of the Social Security Pensions Act 1975 or section 148 of the Social Security Administration Act 1992 to come into force before the end of the final relevant year.
- (2) The scheme may provide that the earnings factors of an earner whose service in contracted-out employment by reference to the scheme is terminated before the final relevant year shall be determined for the purposes of section 14(2) by reference to the last such order to come into force before the end of the tax year in which that service ends ("the last service tax year").
- (3) Where a scheme provides as mentioned in subsection (2) the scheme shall provide for the weekly equivalent mentioned in section 14(2) to be increased by at least—
 - (a) 5 per cent. compound for each relevant year after the last service tax year; or
 - (b) the amount by which an earnings factor for that year equal to that weekly equivalent would be increased by the last order under section 21 of the

Status: This is the original version (as it was originally enacted).

Social Security Pensions Act 1975 or section 148 of the Social Security Administration Act 1992 to come into force before the end of the final relevant year,

whichever makes the lesser increase; and the provisions included by virtue of this subsection may also conform with such additional requirements as may be prescribed for the purposes of section 55(5).

(4) Except in such cases or classes of case as may be prescribed, the provision made by virtue of subsections (2) and (3) must be the same for all members of the scheme.

(5) In this section—

“relevant year” has the meaning given in section 14(8), and

“final relevant year” means the last tax year which is a relevant year in relation to the earner.