

*These notes refer to the Welfare Reform and Pensions Act
1999 (c.30) which received Royal Assent on 11 November 1999*

WELFARE REFORM AND PENSIONS ACT 1999

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Commentary

Part II: Pensions: General

Schedule 2: Miscellaneous amendments

Paragraph 13: Annual increase in rate of pension

Once occupational pensions become payable, schemes are required to increase them annually. This applies to all pension rights which have accrued on or after 6 April 1997, and to certain rights accruing on or after 5 April 1988. The existing legislation requires an occupational scheme to apply the annual increase by reference to a Revaluation Order which is published each year, based on the published Retail Price Index percentage for the month of September. The Order is not published until the following January. A procedure to advise any scheme which needs to make an increase before the order is published has been in operation.

This paragraph amends section 54 of the Pensions Act 1995 to make it clear that the reference period to be used by schemes to determine the percentage rate of annual increases to occupational pensions in payment is the period covered by the most recently published Revaluation Order.