

Status: Point in time view as at 06/04/2006.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Paragraph 20. (See end of Document for details)

SCHEDULES

SCHEDULE 23

PENSION SCHEMES ETC: MISCELLANEOUS

“Bridging” pensions

- 20 (1) Paragraph 2 of Schedule 28 (scheme pension) is amended as follows.
- (2) In sub-paragraph (4), for paragraph (c) substitute—
- “(c) a reduction in the rate of the pension, taking effect at a time not earlier than when the member reaches the age of 60 and not later than when the member reaches the age of 65, which does not exceed the relevant state retirement pension rate at that time (or the pension ceasing to be payable at such a time if at that time that rate is greater than the rate of the pension),”.
- (3) For sub-paragraph (5) substitute—
- “(5) For the purposes of sub-paragraph (4)(c) “the relevant state retirement pension rate” at any time—
- (a) where no employment of the member to which the pension scheme relates is or has been other than contracted-out employment by reference to the pension scheme, is 125% of the rate of the basic pension at that time or such higher percentage of that rate as the Treasury may by regulations prescribe,
- (b) where no such employment of the member is or has been contracted-out employment by reference to the pension scheme, is 250% of the rate of the basic pension at that time or such higher percentage of that rate as the Treasury may by regulations prescribe, and
- (c) otherwise, is such percentage of the rate of the basic pension at that time falling between the percentages for the time being specified under or by virtue of paragraphs (a) and (b) as the Treasury by regulations prescribe;
- and regulations under paragraph (c) may prescribe different percentages for different cases.
- (5A) For the purposes of sub-paragraph (5)—
- (a) for the meaning of “contracted-out employment” see section 8(1) of the Pension Schemes Act 1993 or section 4(1) of the Pension Schemes (Northern Ireland) Act 1993, and
- (b) “the basic pension” means the basic pension specified in section 44 of SSCBA 1992 or section 44 of SSCB(NI)A 1992.”
- (4) In sub-paragraph (8), for “(4)(e) and (h)” substitute “ (4)(e) or (h) or (5) ”.

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