



Pensions Act 2008

2008 CHAPTER 30

PART 1

PENSION SCHEME MEMBERSHIP FOR JOBHOLDERS

CHAPTER 1

EMPLOYERS' DUTIES

Quality requirements

23 Test scheme

- (1) A test scheme is an occupational pension scheme which satisfies—
 - (a) the requirements of subsections (2) and (4), and
 - (b) any prescribed requirements.
- (2) The scheme must provide for a member to be entitled to a pension commencing at the appropriate age and continuing for life.
- (3) The appropriate age is 65 or any higher age prescribed.
- (4) The annual rate of the pension at that age must be—
 - (a) $\frac{1}{120}$ th of average qualifying earnings in the last three tax years preceding the end of pensionable service,
multiplied by
 - (b) the number of years of pensionable service, up to a maximum of 40.
- (5) Section 13(1) (qualifying earnings) applies for the purposes of this section as if the reference to a pay reference period were a reference to a tax year.