



Pension Schemes Act 2015

2015 CHAPTER 8

PART 3

GENERAL CHANGES TO LEGISLATION ABOUT PENSION SCHEMES

Indexation

41 Collective benefits exempt from indexation

- (1) In section 51 of the Pensions Act 1995 (annual increase in rate of pension)—
 - (a) in subsection (1), for “Subject to subsections (6) and (7)” substitute “Subject to subsections (6) to (7A)”;
 - (b) after subsection (7) insert—

“(7A) This section does not apply to any pension, or part of a pension, that is a collective benefit.”
- (2) Omit section 21(2) of the Pensions Act 2011, which is no longer needed given subsection (1).

42 Regulatory own fund schemes exempt from indexation

- (1) Section 51 of the Pensions Act 1995 (annual increase in rate of pension) is amended as follows.
- (2) In subsection (1)(a)(ii) (scheme based exemption) after “public service pension scheme” insert “or a regulatory own fund scheme (see subsection (9))”.
- (3) After subsection (8) insert—

“(9) In subsection (1)(a)(ii) “regulatory own fund scheme” means a scheme in respect of which Article 17 of Council Directive [2003/41/EC](#) of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision applies.

Status: This is the original version (as it was originally enacted).

- (10) Regulations may amend subsection (9) to replace the reference to the Article mentioned there with a reference to any provision of an EU instrument that replaces it (with or without changes).”

43 Power to create other exemptions from indexation

- (1) In section 51 of the Pensions Act 1995 (annual increase in rate of pension), after subsection (5) insert—

“(5A) Regulations may provide that this section does not apply to a pension, or part of a pension, of a specified description.

(5B) But regulations under subsection (5A) may not be made in respect of—

- (a) a pension, or any part of a pension, under a defined benefits scheme,
- (b) a pension, or any part of a pension, which came into payment before the day on which the regulations come into force, or
- (c) a pension, or any part of a pension, which is attributable to pensionable service before the day on which the regulations come into force.

(5C) Regulations under subsection (5A) may amend this Part.”

- (2) In section 175(2) of that Act (statutory instruments subject to affirmative procedure), before paragraph (a) insert—

“(za) section 51(5A),”.