

STATUTORY INSTRUMENTS

1991 No. 168

The Occupational Pension Schemes (Revaluation) Regulations 1991

Citation and commencement

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Revaluation) Regulations 1991.

(2) These Regulations come into force on 28th February 1991.

Interpretation

2. In these Regulations—

[^{F1}“the Act” means the Pension Schemes Act 1993]; and

“short service benefit” means the same as in [^{F2}the Act].

Textual Amendments

F1 Words in reg. 2 substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(2)(a)**

F2 Words in reg. 2 substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(2)(b)**

Benefits payable later than normal pension age

3.—(1) This regulation applies where the member’s normal pension age is earlier than 60.

(2) The references to “normal pension age” in [^{F3}section 83(1)(a)(iii) of and paragraph 2(7) of Schedule 3 to the Act] are to be treated as references to the age at which short service benefit is made payable to the member under the rules of the scheme. [^{F3}Section 83(1)(a)(iii) of and paragraph 2(7) of Schedule 3 to the Act] are modified accordingly.

Textual Amendments

F3 Words in reg. 3(2) substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(3)**

Hybrid benefits

4.—(1) This regulation applies to hybrid benefits.

[^{F4}(2) In this regulation, “hybrid benefit” means a benefit the rate or amount of which is calculated by reference to the greatest, or smallest, of two or more benefits.]

(3) [^{F5}Chapter II of Part IV of the Act] is modified so as to require that—

- (a) before deciding which benefit is the greatest or smallest, each benefit must be revalued in accordance with [^{F5}whichever method applies to it in accordance with section 84 of the Act], and
- (b) the rate or amount of the hybrid benefit must be calculated by reference to the greatest, or smallest, of those benefits as revalued.

Textual Amendments

- F4** Reg. 4(2) substituted (25.7.2014) by [The Pensions Act 2011 \(Transitional, Consequential and Supplementary Provisions\) Regulations 2014 \(S.I. 2014/1711\)](#), reg. 1(1), **28(2)**
- F5** Words in reg. 4(3) substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(4)(b)**

Benefits consisting of two or more components

5.—(1) This regulation applies to any benefit consisting partly of a component to which [^{F6}the final salary method, within the meaning of paragraph 1 of Schedule 3 to the Act, applies and partly of a component to which that method] does not apply.

(2) [^{F7}Paragraph 1 of Schedule 3 to the Act] is modified so that, for the purpose of revaluing the component to which [^{F7}the final salary method applies, the pensionable service and the amount of pension or other benefit referred to in sub-paragraph (1) of that paragraph] are to be calculated by reference only to the component to which [^{F7}that method] applies and the pensionable service which qualified the member for that component.

Textual Amendments

- F6** Words in reg. 5(1) substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(5)(a)**
- F7** Words in reg. 5(2) substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(5)(b)**

Administrative expenses in relation to money purchase benefits

6.—(1) This regulation applies in relation to money purchase benefits that are revalued in accordance with [^{F8}paragraph 5 of Schedule 3 to the Act].

(2) The trustees or managers of the scheme may deduct from any pension or other retirement benefit that is revalued in accordance with [^{F8}paragraph 5 of Schedule 3 to the Act] an amount in respect of the administrative expenses incurred by them in carrying that paragraph into effect. The amount deducted must not exceed an amount equal to the smaller of—

- (a) the administrative expenses incurred, and
- (b) the administrative expenses that would have been incurred in providing the corresponding benefit if the member's pensionable service had not terminated before normal pension age.

Textual Amendments

- F8** Words in reg. 6 substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(6)**

Benefits other than short service benefit

7.—(1) This regulation applies where a scheme provides so that a member becomes entitled to benefit when his pensionable service terminates before normal pension age, even if the member does not become entitled to short service benefit.

(2) For the purposes of [F9section 129 of the Act as it applies as respects Chapter II of Part IV of the Act], any provision contained in the scheme that would be a protected provision in relation to short service benefit is to be treated as a protected provision in relation to any benefit to which a member becomes entitled as described in paragraph (1) above. [F9Section 129] is modified accordingly.

Textual Amendments

F9 Words in reg. 7(2) substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(7)**

Commutation, forfeiture and surrender

8.—(1) [F10Section 86(1) of the Act] is modified so that it does not apply in the cases specified in this regulation.

(2) [F10Section 86(1) of the Act] does not apply to commutation of a benefit where the lump sum to which the whole or part of the pension is commuted is, itself, revalued in accordance with [F10Chapter II of Part IV of the Act].

(3) [F10Section 86(1) of the Act] does not apply to forfeiture of the whole or part of a pension where the forfeiture applies only after the pension has been revalued in accordance with [F10Chapter II of Part IV of the Act].

(4) [F10Section 86(1) of the Act] does not apply to surrender of the whole or part of a pension where it is to provide benefit for the [F11widow, widower or surviving civil partner] or a dependant of the member and the scheme provides for that benefit to be revalued in accordance with [F10Chapter II of Part IV of the Act].

Textual Amendments

F10 Words in reg. 8 substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(8)**

F11 Words in reg. 8(4) substituted (5.12.2005) by [The Civil Partnership \(Pensions, Social Security and Child Support\) \(Consequential, etc. Provisions\) Order 2005 \(S.I. 2005/2877\)](#), art. 1, **Sch. 2 para. 3** (with art. 3)

Retirement benefits varied at pensionable age

9.—(1) This regulation applies where—

- (a) a scheme provides that the pension or other retirement benefit payable under the scheme to a member at normal pension age is to be varied at pensionable age, and
- (b) that benefit is subject to revaluation by [F12the final salary method, within the meaning of paragraph 1 of Schedule 3 to the Act].

(2) [F13Paragraph 1 of Schedule 3 to the Act] is modified so that, when the pension or other retirement benefit payable under the scheme is varied, there is a corresponding variation in the F13...amount to be added to the benefit.

Textual Amendments

- F12** Words in reg. 9(1)(b) substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(9)(a)**
- F13** Words in reg. 9(2) substituted and omitted (12.5.1994) by virtue of [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(9)(b)**

Rounding

10.—(1) This regulation applies where [^{F14}the final salary method, within the meaning of paragraph 1 of Schedule 3 to the Act] applies to a benefit under the scheme and the scheme provides that, in calculating the amount of that benefit, a member's pensionable service is to be calculated in whole months.

[^{F15}(2) Paragraph 1 of Schedule 3 to the Act is modified so that the scheme may provide for the pensionable service referred to in sub-paragraph (1) of that paragraph to be calculated to the nearest, next highest or next lowest whole month. Where a scheme provides for rounding as described in this paragraph it must provide for all pensionable service there referred to to be rounded in the same way.]

Textual Amendments

- F14** Words in reg. 10(1) substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(10)(a)**
- F15** Reg. 10(2) substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(10)(b)**

Schemes with an overseas element

11.—(1) This regulation applies to schemes with any overseas element, as described in [^{F16}section 165(6) of the Act] (requirements as to preservation of benefit under occupational pension schemes).

(2) [^{F17}Chapter II of Part IV of the Act] applies to schemes with any overseas element only to the extent that the preservation requirements apply to the scheme ^{M1}.

Textual Amendments

- F16** Words in reg. 11(1) substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(11)(a)**
- F17** Words in reg. 11(2) substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), **Sch. 2 para. 31(11)(b)**

Marginal Citations

- M1** (See regulation 25 of the [Occupational Pension Schemes \(Preservation of Benefit\) Regulations 1991 \(S.I.1991/167\)](#)).

Breaks in pensionable service

12.—(1) This regulation applies in the case of a member whose pensionable service is broken. For this purpose, a member’s pensionable service is broken if, after it terminates, the member returns to pensionable service under the same scheme.

(2) [^{F18}Chapter II of Part IV of the Act] is modified so that it does not apply if, when the member returns to pensionable service under the scheme—

- (a) the member exercises an option to surrender the benefits that had accrued before the break to acquire entitlement to further benefits under the same scheme, or
- (b) the scheme provides that the member’s pensionable service before and after the break is to be treated as continuous for the purpose of qualifying the member for long service benefit under the scheme.

Textual Amendments

F18 Words in reg. 12(2) substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), [Sch. 2 para. 31\(12\)](#)

Lump sum in respect of service before 6th April 1975

13.—(1) This regulation applies where a lump sum (whether or not being or including a payment by way of a refund of contributions) has been paid to a member in respect of any period of pensionable service before 6th April 1975.

(2) [^{F19}Paragraph 1 of Schedule 3 to the Act is] modified so that—

- (a) the period of pensionable service in respect of which the lump sum is paid is excluded from [^{F19}the total pensionable service referred to in sub-paragraph (1)(b) of that paragraph], and
- (b) [^{F19}the amount of the pension or other benefit which has accrued on the termination date as referred to in sub-paragraph (1) of that paragraph] is reduced by an amount equal to the part of the pension or other benefit that would have been payable in respect of that period if the lump sum had not been paid.

Textual Amendments

F19 Words in reg. 13(2) substituted (12.5.1994) by [The Occupational and Personal Pension Schemes \(Consequential Amendments\) Regulations 1994 \(S.I. 1994/1062\)](#), reg. 1(2), [Sch. 2 para. 31\(13\)](#)

[^{F20}Purpose for which trustees may modify the scheme

13A.—(1) This regulation prescribes a purpose for which the trustees of a trust scheme may by resolution modify the scheme under section 68 of the Pensions Act 1995 (power of trustees to modify schemes by resolution).

(2) The purpose is to—

- (a) reduce the rate or amount by which the scheme revalues any benefits that accrue after the date of the resolution; or
 - (b) change the method for determining that rate or amount in order to make such a reduction.
- (3) No modification may be made for the purpose in paragraph (2) without the consent of—
- (a) where there is one employer in relation to the scheme, that employer; or

- (b) where there is more than one employer in relation to the scheme—
- (i) all those employers; or
 - (ii) a person nominated by all those employers, or in accordance with the scheme rules, to act as their representative.]

Textual Amendments

F20 Reg. 13A inserted (6.4.2009) by Occupational, Personal and Stakeholder Pensions (Miscellaneous Amendments) Regulations 2009 (S.I. 2009/615), regs. 1(2), 3(2)

Revocations

14. The Regulations specified in Column 1 of the Schedule to these Regulations are revoked to the extent specified in Column 2.

Signed by authority of the Secretary of State for Social Security.

1st February 1991

Nicholas Scott
Minister of State,
Department of Social Security

Changes to legislation:

There are currently no known outstanding effects for the The Occupational Pension Schemes (Revaluation) Regulations 1991.