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STATUTORY INSTRUMENTS

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**2000 No. 1054**

**The Pension Sharing (Pension Credit Benefit) Regulations 2000**

**PART IV  
INDEXATION**

**Increase of relevant pension**

**32.**—(1) Subject to regulations 33 and 34, a relevant pension shall be increased each year by whichever is the lesser of—

- (a) either—
  - (i) the appropriate percentage; or
  - (ii) where the rules of an occupational pension scheme require the relevant pension to be increased at intervals of not more than 12 months, the relevant percentage; or
- (b) 5 per cent.

(2) In this regulation—

“appropriate percentage” means the revaluation percentage for the latest revaluation period specified in the order under paragraph 2 of Schedule 3 to the 1993 Act (revaluation of accrued pension benefits) which is in force at the time of the increase (expressions used in this definition having the same meaning as in that paragraph);

“relevant percentage” means the lesser of—

- (a) the percentage increase in the retail prices index for the reference period, being a period determined, in relation to each periodic increase, under the rules of the scheme; or
- (b) the percentage for that period which corresponds to 5 per cent. per annum.

**Annual increase in rate of pension: qualifying occupational and personal pension schemes**

**33.**—(1) The first increase required by regulation 32 in the rate of a relevant pension must take effect not later than the first anniversary of the date on which the pension is first paid; and subsequent increases must take effect at intervals of not more than 12 months.

(2) Where the first such increase takes effect on a date when the pension has been in payment for a period of less than 12 months, the increase must be of an amount at least equal to one twelfth of the amount of the increase so required (apart from this paragraph) for each complete month in that period.

**Effect of increase above the statutory requirement: qualifying occupational pension schemes**

**34.**—(1) Where in any tax year the trustees or managers of a qualifying occupational pension scheme make an increase in a member’s pension which is a relevant pension, not being an increase required by regulation 32, they may deduct the amount of the increase from any increase which but for this paragraph, they would be required to make under that regulation in the next tax year.

(2) Where in any tax year the trustees or managers of such a scheme make an increase in a member's pension which is a relevant pension, and part of the increase is not required by regulation 32, they may deduct that part of the increase from any increase which, but for this paragraph, they would be required to make under that regulation in the next tax year.

(3) Where by virtue of paragraph (1) or (2) any such pension is not required to be increased in pursuance of regulation 32, or not by the full amount that it otherwise would be, its amount shall be calculated for any purposes as if it had been increased in pursuance of regulation 32 or, as the case may be, by that full amount.

**Definition of eligible pension credit rights**

**35.** For the purposes of section 40(3) of the 1999 Act, pension credit rights are eligible if they fall within the descriptions in paragraph (a) or (b)—

- (a) rights which are derived from—
  - (i) rights attributable to pensionable service on or after 6th April 1997 (excluding rights derived from additional voluntary contributions); or
  - (ii) in the case of money purchase benefits, rights attributable to payments in respect of employment on or after 6th April 1997 (excluding rights derived from additional voluntary contributions),  
of the member whose pension rights were the subject of a pension sharing order or provision; or
- (b) safeguarded rights.