



Social Security (Miscellaneous Provisions) Act 1977

1977 CHAPTER 5

Other miscellaneous provisions

21 Calculation of guaranteed minimum pensions preserved under approved arrangements.

- (1) Where an occupational pension scheme ceases to be contracted-out and guaranteed minimum pension rights or accrued rights to guaranteed minimum pensions under the scheme are subject to approved arrangements (as defined in section 44 of the Pensions Act for the purposes of subsection (2) of that section) for their preservation, then, except in such circumstances as may be prescribed, section 35(5) of that Act shall [^{F1}in a case where one or more of the five tax years ending with the tax year in which the scheme ceases to be contracted-out is a relevant year in relation to the earner, have effect, . . . ^{F2}, subject to the following provisions, that is to say—

- [^{F3}(a) any earnings factor shall be taken to be that factor as increased by the last order under section 21 of the Pensions Act [^{F4}or section 148 of the Social Security Administration Act 1992] to come into force before those five tax years; and]
- (b) any relevant earnings factor derived from contributions [^{F5}or earnings] in respect of any year (hereafter in this subsection referred to as “the relevant contributions year”) shall be treated as increased by 12 per cent. compound for each of those five tax years, other than any of those years which—
- (i) constitutes or begins before the relevant contributions year, or
 - (ii) begins after the final relevant year in relation to the earner]

[^{F6}but this subsection shall not apply in any case where the application of those provisions would result in the amount of the guaranteed minimum being greater than it would have been apart from this subsection.]

- (2) Regulations may provide that subsection (1) above shall have effect with prescribed modifications in relation to a scheme which, immediately before it ceased to be contracted-out, contained provisions authorised by section 35(7) of the Pensions Act.

Status: Point in time view as at 01/02/1991. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Social Security (Miscellaneous Provisions) Act 1977, Section 21. (See end of Document for details)

[^{F7}(3) In this section—

“earner” and “earnings” are to be construed in accordance with sections 3, 4 and 112 of the Social Security Contributions and Benefits Act 1992;

“earnings factors” is to be construed in accordance with sections 22 and 23 of that Act;

“tax year” means the 12 months beginning with 6th April in any year, and expressions used in Part III of the Pensions Act have the same meanings as in that Part.]

Textual Amendments

- F1** Words substituted by [Social Security Act 1980 \(c. 30\), s. 3\(4\)](#)
- F2** Words repealed (1.10.89) by [Social Security Act 1989 \(c. 24\), Sch. 6](#), para. 15(a) and Sch. 9
- F3** [S. 21\(1\)\(a\)](#) substituted by [Social Security Act 1985 \(c. 53\), s. 4, Sch. 3](#), paras. 6 and 7(1) with effect from 6.4.79
- F4** Words inserted (1.7.92) into s. 21 (1)(a) by [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\), Sch. 2](#), para. 44(1)
- F5** Words inserted (6.4.87) by [Social Security Act 1986 \(c. 50\), Sch. 8](#), para. 11
- F6** Words added (1.10.89) by [Social Security Act 1989 \(c. 24\), Sch. 6](#), para. 15(b)
- F7** [S. 21\(3\)](#) substituted (1.7.92) by [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\), Sch. 2](#), para. 44(2)
-

Modifications etc. (not altering text)

- C1** [S. 21\(1\)](#) modified by [S.I. 1984/380, reg. 48](#).

Status:

Point in time view as at 01/02/1991. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Social Security (Miscellaneous Provisions) Act 1977, Section 21.