



# Social Security Act 1990

## 1990 CHAPTER 27

*Occupational and personal pensions etc.*

### 11 Annual increase of certain occupational pensions

(1) The following section shall be inserted after section 58 of the Pensions Act—

**“58A Annual increase in rate of pension, other than guaranteed minimum pension or money purchase benefit**

- (1) This section applies in relation to any occupational pension scheme—
- (a) which is neither a public service pension scheme nor a money purchase scheme; and
  - (b) whose rules do not require the annual rate of every pension which commences or has commenced under the scheme to be increased each year by at least an amount equal to the appropriate percentage of that rate.
- (2) On and after the appointed day, Schedule 3A to this Act shall have effect for the purpose of requiring the provision by schemes to which this section applies of annual increases in the annual rates of pensions under those schemes.
- (3) In this section—

“annual rate”, in relation to a pension, means the annual rate of the pension, as previously increased under the rules of the scheme or under Schedule 3A to this Act;

“the appointed day” means the day on which this section and Schedule 3A to this Act come into force;

“the appropriate percentage”, in relation to an increase in the annual rate of a pension, means the percentage specified in the last revaluation order made before the increase is to take effect as the revaluation percentage for the last revaluation period of twelve months;

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*Status: This is the original version (as it was originally enacted).*

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“money purchase scheme” means a pension scheme under which all the benefits that may be provided are money purchase benefits;

“pension” does not include—

- (a) a guaranteed minimum pension or any increase in such a pension under section 37A above; or
- (b) any money purchase benefit;

“revaluation order”, “revaluation percentage” and “revaluation period” shall be construed in accordance with section 52A above.”

- (2) After Schedule 3 to the Pensions Act there shall be inserted the Schedule set out in Schedule 2 to this Act.
- (3) In the case of an occupational pension scheme—
  - (a) such as is mentioned in subsection (1) of section 58A of the Pensions Act, and
  - (b) which is constituted by trust deed,no payment shall be made out of the resources of the scheme to or for a person who is or has been the employer of persons in the description or category of employment to which the scheme relates until such time as provision has been made by the scheme for every pension which commences or has commenced under it to be increased as mentioned in paragraph (b) of that subsection.
- (4) Nothing in subsection (3) above applies in relation to payments made to or for a person by virtue of his or any other person’s membership of the scheme in question.
- (5) Expressions used in this section and the Pensions Act have the same meaning in this section as they have in that Act.
- (6) The provisions of subsection (3) above override any provision of a scheme to the extent that it conflicts with them.