



Pension Schemes Act 1993

1993 CHAPTER 48

PART III

CERTIFICATION OF PENSION SCHEMES AND EFFECTS ON MEMBERS' STATE SCHEME RIGHTS AND DUTIES

CHAPTER I

CERTIFICATION

Requirements for certification of occupational pension schemes providing guaranteed minimum pensions

14 Earner's guaranteed minimum

- (1) An earner has a guaranteed minimum in relation to the pension provided by a scheme if in any tax week in a relevant year, earnings in excess of the current lower earnings limit (or the prescribed equivalent if he is paid otherwise than weekly) have been paid to or for his benefit in respect of employment which is contracted-out by reference to the scheme.
- (2) Subject to section 15(1), the guaranteed minimum shall be the weekly equivalent of an amount equal to the appropriate percentage of the total of the earner's earnings factors for the relevant years, so far as derived from earnings such as are mentioned in subsection (1) upon which primary Class 1 contributions have been paid or treated as paid.
- (3) In determining the guaranteed minimum in a case where—
 - (a) earnings such as are mentioned in subsection (1) have been paid to a married woman or widow who is liable to pay primary Class 1 contributions at a reduced rate by virtue of section 19(4) of the Social Security Contributions and Benefits Act 1992, and

- (b) the tax week in which those earnings are paid falls in the tax year 1991-92 or any subsequent tax year,

the married woman or widow shall be treated for the purposes of this section as having such earnings factors derived from those earnings as she would have had if primary Class 1 contributions had been payable, and paid, upon them otherwise than at a reduced rate.

- (4) Where the amount of a person's earnings for any period is relevant for any purpose of subsection (1) or (2) and the Secretary of State is satisfied that records of those earnings have not been maintained or retained or are otherwise unobtainable, he may for that purpose—
- (a) compute, in such manner as he thinks fit, an amount which shall be regarded as the amount of those earnings; or
- (b) take their amount to be such sum as he may specify in the particular case.
- (5) In subsection (2) the “appropriate percentage” means—
- (a) in respect of the earner's earnings factors for any tax year not later than the tax year 1987-88—
- (i) if the earner was not more than 20 years under pensionable age on 6th April 1978, 1.25 per cent.;
- (ii) in any other case $25/N$ per cent.;
- (b) in respect of the earner's earnings factors for the tax year 1988-89 and for subsequent tax years—
- (i) if the earner was not more than 20 years under pensionable age on 6th April 1978, 1 per cent.;
- (ii) in any other case $20/N$ per cent.;
- where N is the number of years in the earner's working life (assuming he will attain pensionable age) which fall after 5th April 1978.
- (6) Regulations may prescribe rules as to the circumstances in which earnings factors are derived from earnings for the purposes of subsection (2).
- (7) For the purposes of subsection (2) the weekly equivalent of the amount there mentioned shall be calculated by dividing that amount by 52.
- (8) In this section “relevant year” means any tax year in the earner's working life (not being earlier than the tax year 1978-79).