

# Pensions Act 2007

# **CHAPTER 22**

# PENSIONS ACT 2007

#### PART 1

### STATE PENSION

### Entitlement to Category A and B retirement pensions

- 1 Category A and B retirement pensions: single contribution condition
- 2 Category B retirement pension: removal of restriction on entitlement

### Credits for basic state pension

3 Contributions credits for relevant parents and carers

# Abolition of adult dependency increases

4 Category A and C retirement pensions: abolition of adult dependency increases

# *Up-rating of basic state pension and other benefits*

- 5 Up-rating of basic pension etc. and standard minimum guarantee by reference to earnings
- 6 Preservation of link with prices in case of other benefits
- 7 Removal of link between lower earnings limit and basic pension
- 8 Removal of link between lower earnings limit and basic pension: Northern Ireland

# Additional pension: deemed earnings factors

9 Deemed earnings factors for purposes of additional pension

## Additional pension: simplification of accrual rates

- 10 Additional pension: removal of accrual band from 2010-11
- 11 Additional pension: simplified accrual rates as from flat rate introduction year
- 12 Additional pension: upper accrual point

### Increase in state pension age

13 Increase in pensionable age for men and women

#### PART 2

#### OCCUPATIONAL AND PERSONAL PENSION SCHEMES

#### Contracting-out

- 14 Conversion of guaranteed minimum pensions
- 15 Abolition of contracting-out for defined contribution pension schemes

## Dispute resolution

16 Dispute resolution arrangements

## Actuarial guidance

17 Removal of Secretary of State's role in approving actuarial guidance

#### Financial assistance scheme

- 18 Financial assistance scheme: increased levels of payments
- 19 Temporary restriction on purchase of annuities

#### PART 3

### PERSONAL ACCOUNTS DELIVERY AUTHORITY

- 20 Personal Accounts Delivery Authority
- 21 Initial function of the Authority
- 22 Management of the Authority
- 23 Winding up of the Authority

#### PART 4

#### GENERAL

- 24 Review of operation of Act
- 25 Orders and regulations
- 26 Interpretation
- 27 Consequential etc. provision, repeals and revocations
- 28 Financial provisions
- 29 Extent
- 30 Commencement
- 31 Short title

**SCHEDULES** 

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# Part 1 — CATEGORY A AND B RETIREMENT PENSIONS: SINGLE CONTRIBUTION CONDITION

- 1 (1) Section 44 of the SSCBA (Category A retirement pension)...
- 2 (1) Section 48A of the SSCBA (Category B retirement pension...
- 3 (1) Section 48B of the SSCBA (Category B retirement pension...
- 4 In section 60 of the SSCBA (complete or partial failure...
- 5 After section 60 of the SSCBA insert—Failure to satisfy...
  - Part 2 CATEGORY B RETIREMENT PENSION: REMOVAL OF RESTRICTION ON ENTITLEMENT
- 6 In section 54 of the SSCBA (Category A and B...
- 7 In section 55 of the SSCBA (pension increase or lump...
- 8 In Schedule 5 to the SSCBA (pension increase or lump...
  - Part 3 CONTRIBUTIONS CREDITS FOR RELEVANT PARENTS AND CARERS

## Social Security Contributions and Benefits Act 1992 (c. 4)

- 9 In section 22 of the SSCBA (earnings factors) after subsection...
- 10 In section 176 of the SSCBA (parliamentary control) in subsection...

# Welfare Reform Act 2007 (c. 5)

11 In Part 1 of Schedule 1 to the Welfare Reform...

Part 4 — CATEGORY A AND C RETIREMENT PENSIONS: ABOLITION OF ADULT DEPENDENCY INCREASES

- 12 In section 30B of the SSCBA (incapacity benefit: rate) in...
- 13 In section 78 of the SSCBA (Categories C and D...
- 14 In section 88 of the SSCBA (increases to be in...
- 15 In section 89 of the SSCBA (meaning of earnings for...
- 16 In section 114 of the SSCBA (persons maintaining dependants etc.)...
- 17 In section 149 of the SSCBA (pensioners' entitlement to Christmas...
- 18 In Part 4 of Schedule 4 to the SSCBA (rates...
  - Part 5 UP-RATING OF BASIC PENSION ETC. AND STANDARD MINIMUM GUARANTEE BY REFERENCE TO EARNINGS

#### Social Security Contributions and Benefits Act 1992 (c. 4)

- 19 In Schedule 5 to the SSCBA (pension increase or lump...
- In each of paragraphs 5A(3)(a), 6(4)(b) and 6A(2)(b) of that...

### Social Security Administration Act 1992 (c. 5)

- 21 In section 150 of the Administration Act (annual up-rating of...
- 22 In section 152 of that Act (rectification of mistakes in...
- 23 In section 155 of that Act (effect of alteration of...
- 24 In section 155A of that Act (power to anticipate pensions...
- 25 In section 159 of that Act (effect of alteration in...
- 26 In section 159A of that Act (effect of alteration of...
- 27 In section 159B of that Act (effect of alterations affecting...
- 28 In section 159C of that Act as inserted by the...
- 29 In section 189 of that Act (regulations and orders general) in...
- 30 In section 190 of that Act (parliamentary control of orders...
- 31 In Part 1 of Schedule 7 to that Act (regulations...
- 32 In Part 2 of that Schedule (regulations not requiring prior...
  - Part 6 DEEMED EARNINGS FACTORS FOR PURPOSES OF ADDITIONAL PENSION

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- 33 In section 22 of the SSCBA (earnings factors) at the...
- 34 (1) Section 44A of the SSCBA (deemed earnings factors) is...

Part 7 — ADDITIONAL PENSION: SIMPLIFIED ACCRUAL RATES

Social Security Contributions and Benefits Act 1992 (c. 4)

35 In section 176 of the SSCBA (parliamentary control)—

## Pension Schemes Act 1993 (c. 48)

- 36 In section 12B of the Pension Schemes Act 1993 (reference...
- 37 In section 41 of that Act (reduced rates of Class...
- 38 In section 181(1) of that Act (general interpretation) insert at...
- 39 In Schedule 4 to that Act (priority in bankruptcy etc.)...

Part 8 — INCREASE IN PENSIONABLE AGE FOR MEN AND WOMEN

### Social Security Contributions and Benefits Act 1992 (c. 4)

- 40 In section 38 of the SSCBA (widow's pension) in subsection...
- 41 In section 64 of the SSCBA (entitlement to attendance allowance)...
- 42 (1) Section 75 of the SSCBA (disability living allowance: persons...
- 43 In section 149 of the SSCBA (supplementary provisions relating to...

#### State Pension Credit Act 2002 (c. 16)

44 In section 3 of the State Pension Credit Act 2002...

#### SCHEDULE 2 — Additional pension: simplified accrual rates

Part 1 — NEW SCHEDULE 4B TO THE SSCBA

- 1 After Schedule 4A to the SSCBA (additional pension) insert the...
  - Part 2 REVALUATION OF FLAT RATE ACCRUAL AMOUNT
- 2 After section 148A of the Administration Act insert— Revaluation of... Part 3 CONSEQUENTIAL AND RELATED AMENDMENTS

Social Security Contributions and Benefits Act 1992 (c. 4)

- In section 39 of the SSCBA (rate of widowed mother's...
- 4 (1) Section 39C of the SSCBA (rate of widowed parent's...
- 5 (1) Section 44 of the SSCBA (Category A retirement pension)...
- 6 In section 46 of the SSCBA (modification of section 45...
- 7 In section 48A of the SSCBA (rate of Category B...
- 8 In section 48B of the SSCBA (Category B retirement pension...
- 9 In section 48BB of the SSCBA (Category B retirement pension:...
- 10 In section 48C of the SSCBA (Category B retirement pension:...
- 11 In Schedule 4A to the SSCBA (additional pension) in paragraph...

## Pension Schemes Act 1993 (c. 48)

12 In section 42 of the Pension Schemes Act 1993 (review...

### SCHEDULE 3 — Increase in pensionable age for men and women

- 1 In the sidenote to section 126 of the Pensions Act...
- 2 In section 126 of that Act (equalisation of pensionable age)...
- 3 For the heading for Schedule 4 to that Act substitute...
- 4 (1) Paragraph 1 of Part 1 of Schedule 4 to...

# SCHEDULE 4 — Abolition of contracting-out for defined contribution pension schemes

#### Part 1 — AMENDMENTS HAVING EFFECT AS FROM ABOLITION DATE

## Pension Schemes Act 1993 (c. 48)

- 1 The Pension Schemes Act 1993 has effect subject to the...
- 2 (1) Section 7 (issue of contracting-out and appropriate scheme certificates)...
- 3 (1) Section 8 (definitions of certain terms) is amended as...
- 4 (1) Section 9 (general requirements for certification of schemes) is...
- In section 10 (protected rights and money purchase benefits) in...
- 6 Omit section 12 (determination of basis on which scheme is...
- 7 In section 20 (transfer of accrued rights) in subsection (3)...
- 8 For the heading before section 26, substitute "Requirements for schemes...
- 9 Before section 26 (persons who may establish scheme) insert—Requirements...
- 10 After section 27 insert— Requirements in relation to giving effect...
- Omit sections 28 to 29 (ways of giving effect to...
- 12 For section 32A substitute— Discharge of protected rights on winding...
- 13 (1) Section 33 (tax requirements to prevail over certification requirements)...
- 14 (1) Section 33A (appropriate schemes: "blowing the whistle") is amended...
- 15 (1) Section 34 (cancellation, variation, surrender and refusal of certificates)...
- 16 (1) Section 38 (alteration of rules of appropriate schemes) is...
- 17 In section 42A (reduced rates of Class 1 contributions, and...
- 18 Omit section 42B (determination and alteration of rates of contributions,...
- 19 In section 43 (payment of minimum contributions to personal pension...
- 20 Omit section 44 (earner's chosen scheme).
- 21 In section 45 (amount of minimum contributions) at the end...
- 22 Omit section 45A (determination and alteration of rates of minimum...
- 23 (1) Section 48A (additional pension and other benefits) is amended...
- 24 (1) Section 50 (powers of HMRC to approve arrangements for...
- 25 (1) Section 52 (supervision of schemes which have ceased to...
- 26 In section 55 (payment of state scheme premiums on termination...
- 27 In section 68A (safeguarded rights) in subsection (5) (interpretation) for
- 28 In section 87 (general protection principle) in subsection (1) (when...
- 29 In section 96 (further provisions concerning exercise of option to...
- 30 (1) Section 156 (information for the purposes of contracting-out) is...
- 31 In section 163 (exemption of certain schemes from rule against...
- 32 In section 164 (Crown employment) for subsection (2) substitute—
- In section 177 (general financial arrangements) in subsection (3) (amounts...
- 34 (1) Section 181 (general interpretation) is amended as follows.
- 35 After section 181 insert—Interpretation of references to money purchase...

### Pensions Act 1995 (c. 26)

36 (1) Section 149 of the Pensions Act 1995 (hybrid occupational...

# Welfare Reform and Pensions Act 1999 (c. 30)

- 37 In section 1 of the Welfare Reform and Pensions Act...
- 38 In section 2 of that Act (registration of stakeholder pension...
- 39 Omit section 7 of that Act (reduced rates of contributions...
- 40 In Schedule 5 to that Act (pension credits: mode of...

#### Pensions Act 2004 (c. 35)

41 In section 257 of the Pensions Act 2004 (conditions for...

Part 2 — FURTHER AMENDMENTS

## Social Security Contributions and Benefits Act 1992 (c. 4)

- 42 (1) Section 4C of the SSCBA (power to make provision...
- 43 In section 8 of the SSCBA (calculation of primary Class...
- 44 In section 9 of the SSCBA (calculation of secondary Class...
- 45 (1) In Schedule 1 to the SSCBA (supplementary provisions relating...

# Pension Schemes Act 1993 (c. 48)

- 46 The Pension Schemes Act 1993 has effect subject to the...
- 47 In section 8 (meaning of, among other things, "minimum payment")...
- 48 In section 20 (transfer of accrued rights) in subsection (3)...
- 49 Omit section 31 (investment and resources of scheme).
- 50 In section 40 (scope of Chapter 2 of Part 3)...
- Omit section 42A (reduced rates of contributions, and rebates, for...
- 52 Omit section 43 (payment of minimum contributions to personal pension...
- Omit section 45 (amount of minimum contributions).
- Omit section 45B (money purchase and personal pension schemes: verification...
- 55 In section 50 (powers of HMRC to approve arrangements for...
- 56 In section 164 (Crown employment) in subsection (2) (employees of...
- 57 (1) Section 177 (general financial arrangements) is amended as follows
- 58 (1) Section 181 (interpretation) is amended as follows.
- 59 (1) Schedule 2 (certification regulations) is amended as follows.
- 60 (1) Paragraph 2 of Schedule 4 (priority in bankruptcy etc.....

Part 3 — SAVINGS

### Issue and cancellation etc. of certificates for periods before the abolition date

- Nothing in the relevant amendments and repeals affects the continued...
- 62 (1) Nothing in the relevant amendments and repeals affects the...
- Nothing in the relevant amendments and repeals affects the continued...
- Nothing in the relevant amendments and repeals affects the continued...

#### Determination of question whether scheme was appropriate scheme

Nothing in the relevant amendments and repeals affects the continued...

vii

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### Preservation of earner's chosen scheme

66 (1) Nothing in the relevant amendments and repeals—

## Interpretation etc.

67 (1) In this Part of this Schedule— ... "the PSA...

SCHEDULE 5 — Removal of Secretary of State's role in approving actuarial guidance

## Bankruptcy (Scotland) Act 1985 (c. 66)

- In section 36C of the Bankruptcy (Scotland) Act 1985 (recovery...
- In section 36F of that Act (recovery orders: supplementary) in...

## Insolvency Act 1986 (c. 45)

- 3 In section 342C of the Insolvency Act 1986 (recovery of...
- In section 342F of that Act (orders in relation to...

# Pension Schemes Act 1993 (c. 48)

- In section 12A of the Pension Schemes Act 1993 (statutory...
- In section 113 of that Act (disclosure of information about...

# Pensions Act 1995 (c. 26)

- In section 67D of the Pensions Act 1995 (actuarial equivalence...
- In section 119 of that Act (regulations may provide for...

#### Pensions Act 2004 (c. 35)

In section 230 of the Pensions Act 2004 (matters on...

#### SCHEDULE 6 —

Part 1 — MEMBERS AND EMPLOYEES ETC.

#### Members

(1) The following are to be the members of the...

# Qualifications for non-executive members

(1) Before appointing a person to be the chairman or...

# Tenure of office of non-executive members

(1) The chairman and each other non-executive member holds and...

### Remuneration etc. of non-executive members

(1) The Authority may— (a) pay to the chairman and...

#### Deputy chairman

(1) The Secretary of State may appoint a non-executive member...

#### Executive members and employees

6 (1) The following are to be the executive members of...

Terms and conditions of executive members

7 (1) The first chief executive is to be appointed to...

Terms and conditions of other employees

8 (1) The employees of the Authority who are not executive...
Part 2 — PROCEEDINGS ETC.

#### Non-executive committee

8A (1) There is to be a committee of the Authority...

Other committees and advisory committees

- (1) The Authority may—(a) establish a committee for the...
- 10 (1) A committee of the Authority may establish a sub-committee....

Proceedings of the Authority, committees and sub-committees

- 11 (1) The Authority may, subject to this Schedule—
- 12 The Authority must make arrangements for the keeping of proper...

Disqualification for acting in relation to certain matters

13 (1) This paragraph applies if at any meeting of—

## Delegation

14 The Authority may delegate any function conferred on it to—...

### Validity of proceedings

15 (1) The validity of proceedings of the Authority, the chairman...

Authentication of the Authority's seal

16 (1) The application of the Authority's seal must be authenticated...

## Annual report

17 (1) As soon as is reasonably practicable after the end...
Part 3 — MONEY

#### Finance

18 (1) The Secretary of State may, with the consent of...

#### Accounts

19 (1) The Authority must— (a) keep proper accounting records, and... Part 4 — SUPPLEMENTARY

### Disqualification

20 In Part 2 of Schedule 1 to the House of...

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In Part 2 of Schedule 1 to the Northern Ireland...

# Records and freedom of information

- 22 In Schedule 1 to the Public Records Act 1958 (c....
- 23 In Part 6 of Schedule 1 to the Freedom of...

## Interpretation

- 24 (1) In this Schedule— "financial year" means— the period beginning...
  - SCHEDULE 7 Repeals and revocations
    - Part 1 CATEGORY B RETIREMENT PENSION: REMOVAL OF RESTRICTION ON ENTITLEMENT
    - Part 2 CATEGORY A AND C RETIREMENT PENSIONS: ABOLITION OF ADULT DEPENDENCY INCREASES
    - Part 3 UP-RATING
    - Part 4 REMOVAL OF LINK BETWEEN LOWER EARNINGS LIMIT AND BASIC PENSION
    - Part 5 ADDITIONAL PENSION: SIMPLIFIED ACCRUAL RATES
    - Part 6 ABOLITION OF CONTRACTING-OUT FOR DEFINED CONTRIBUTION PENSION SCHEMES: REPEALS AND REVOCATIONS HAVING EFFECT ON ABOLITION DATE
    - Part 7 ABOLITION OF CONTRACTING-OUT FOR DEFINED CONTRIBUTION PENSION SCHEMES: FURTHER REPEALS
    - Part 8 REMOVAL OF SECRETARY OF STATE'S ROLE IN APPROVING ACTUARIAL GUIDANCE

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Changes and effects yet to be applied to:
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- Sch. 1 para. 25 repealed by 2009 c. 24 Sch. 7 Pt. 1
- Sch. 1 para. 14 repealed by 2009 c. 24 Sch. 7 Pt. 2
- Sch. 1 para. 15 repealed by 2009 c. 24 Sch. 7 Pt. 2
- Sch. 1 para. 25 repealed by 2012 c. 5 Sch. 14 Pt. 1
- Sch. 1 para. 42 repealed by 2012 c. 5 Sch. 14 Pt. 9