



# Pensions Act 2011

## 2011 CHAPTER 19

### PART 2

#### AUTOMATIC ENROLMENT

#### **11 Test scheme standard for schemes that produce sum of money for provision of benefits**

(1) In section 22 of the 2008 Act (test scheme standard) after subsection (7) insert—

“(8) In the case of a scheme under which a sum of money is made available for the provision of benefits to a relevant member, references in this section to pensions are to be read as references to such sums.”

(2) For section 23 of the 2008 Act substitute—

#### **“23 Test scheme**

(1) A test scheme is an occupational pension scheme which satisfies—

- (a) the requirement in subsection (2),
- (b) the requirement in subsection (4) or requirements prescribed under subsection (6) (as appropriate), and
- (c) any further requirements that are prescribed.

(2) The scheme must either—

- (a) provide for a member to be entitled to a pension commencing at the appropriate age and continuing for life, or
- (b) provide for a sum of money to be made available for the provision of benefits to a member commencing at the appropriate age and continuing for life.

(3) The appropriate age is 65 or any higher age prescribed.

---

*Status: This is the original version (as it was originally enacted).*

---

- (4) In the case of a scheme that provides entitlement to a pension as mentioned in subsection (2)(a), the annual rate of the pension at the appropriate age must be—
- (a) 1/120th of average qualifying earnings in the last three tax years preceding the end of pensionable service,  
  
multiplied by
  - (b) the number of years of pensionable service, up to a maximum of 40.
- (5) Section 13(1) (qualifying earnings) applies for the purposes of subsection (4) as if the reference to a pay reference period were a reference to a tax year.
- (6) In the case of a scheme that provides for a sum of money to be made available as mentioned in subsection (2)(b), regulations must prescribe requirements relating to that sum.”