
STATUTORY INSTRUMENTS

2005 No. 704

The Personal and Occupational Pension Schemes
(Indexation and Disclosure of Information)
(Miscellaneous Amendments) Regulations 2005

PART 2

AMENDMENTS RELATING TO INDEXATION

Pension Sharing (Pension Credit Benefit) Regulations 2000

Indexation: changes to maximum percentage

15.—(1) Regulation 32 of the Pension Sharing (Pension Credit Benefit) Regulations 2000⁽¹⁾ (increase of relevant pension) is amended as follows.

(2) In paragraph (1), for sub-paragraph (b) substitute—

“(b) the maximum percentage.”.

(3) In paragraph (2), after the definition of “appropriate percentage” insert—

““maximum percentage” means—

(a) 5 per cent. in a case where—

(i) the pension is in payment before 6th April 2005; or

(ii) the pension is not in payment before 6th April 2005 but the entitlement to the relevant pension credit arose before that day; and

(b) 2.5 per cent. in a case where the entitlement to the relevant pension credit arises on or after 6th April 2005;

“relevant pension credit” means the pension credit to which eligible pension credit rights are (directly or indirectly) attributable;”.

Eligible pension credit rights

16. For regulation 35 of the Pension Sharing (Pension Credit Benefit) Regulations 2000 (definition of eligible pension credit rights) substitute—

“Definition of eligible pension credit rights

35.—(1) For the purposes of section 40(3) of the 1999 Act, pension credit rights are eligible if they fall within paragraph (2) and are not excluded by paragraph (3).

(2) Pension credit rights are within this paragraph if—

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- (a) they are derived from rights attributable to pensionable service on or after 6th April 1997 of the member whose pension rights were the subject of a pension sharing order or provision; or
 - (b) they are safeguarded rights.
- (3) Excluded pension credit rights are—
- (a) rights to pensions which are money purchase benefits and which become pensions in payment on or after 6th April 2005; or
 - (b) rights derived from additional voluntary contributions.”.