

## SCHEDULES

### SCHEDULE 1

#### EARLY LEAVERS: REVALUATION OF ACCRUED BENEFITS

4. For section 80 substitute—

**“80 Old basis of revaluation: occupational pension schemes**

(1) A benefit of the kind mentioned in section 79(1)(a) must be revalued in accordance with this section if it is attributable to pensionable service before the 2016 Act commencement date.

(2) The benefit must be revalued using the final salary method unless it is—

- (a) a money purchase benefit (see subsection (3)),
- (b) an average salary benefit revalued in accordance with subsection (4), or
- (c) a flat rate benefit revalued in accordance with subsection (5).

(3) If the benefit is a money purchase benefit it must be revalued using the money purchase method.

(4) If the benefit is an average salary benefit it must be revalued using the average salary method if the trustees or managers of the scheme consider the average salary method to be more appropriate than the final salary method.

(5) If the benefit is a flat rate benefit it must be revalued using the default method if the trustees or managers of the scheme consider the default method to be more appropriate than the final salary method.

**80A Old basis of revaluation: personal pension schemes**

(1) A benefit of the kind mentioned in section 79(1)(b) must be revalued in accordance with this section if it is attributable to contributions received before the 2016 Act commencement date.

(2) The benefit must be revalued using the money purchase method.

**80B New basis of revaluation: occupational pension schemes**

(1) A benefit of the kind mentioned in section 79(1)(a) that is a collective benefit must be revalued using the default method.

(2) A benefit of the kind mentioned in section 79(1)(a) that is not a collective benefit must be revalued in accordance with the following provisions of this section if it is attributable to pensionable service on or after the 2016 Act commencement date.

(3) The benefit must be revalued using the default method unless it is—

- (a) a money purchase benefit (see subsection (4)),
- (b) a salary related benefit (see subsections (5) and (6)), or
- (c) a flat rate benefit revalued in accordance with subsection (7).

(4) If the benefit is a money purchase benefit it must be revalued using the money purchase method.

(5) If the benefit is a salary related benefit it must be revalued using the final salary method unless it is revalued in accordance with subsection (6).

(6) If the benefit is an average salary benefit it must be revalued using the average salary method if the trustees or managers of the scheme consider the average salary method to be more appropriate than the final salary method.

(7) If the benefit is a flat rate benefit it must be revalued using the final salary method if the trustees or managers of the scheme consider the final salary method to be more appropriate than the default method.

### **80C New basis of revaluation: personal pension schemes**

(1) A benefit of the kind mentioned in section 79(1)(b) must be revalued in accordance with this section if it is attributable to contributions received on or after the 2016 Act commencement date.

(2) The benefit must be revalued using the default method unless it is a money purchase benefit.

(3) If the benefit is a money purchase benefit it must be revalued using the money purchase method.

### **80D Hybrid benefits**

(1) This section modifies the revaluation requirements in this Chapter in relation to hybrid benefits.

(2) “Hybrid benefit” means a benefit the rate or amount of which depends on which of two or more alternative methods of calculation produces the highest, or lowest, rate or amount.

(3) For hybrid benefits—

- (a) first, calculate the benefit using each of those methods and revalue in accordance with this Chapter, and
- (b) then, determine which method of calculation produces the highest, or lowest, rate or amount.

**80E Revaluation by other methods: general**

**80E.** The fact that an occupational pension scheme provides for the amount of the pension or other benefit for a member or for any other person in respect of the member to be increased during the pre-pension period—

- (a) by the percentages specified during that period under section 132(1) of the Social Security Administration (Northern Ireland) Act 1992 (orders specifying percentage increases for up-rating purposes), or
- (b) under any arrangement which maintains the value of the pension or other benefit by reference to the rise in the general level of prices during that period,

does not in itself result in conflict with section 80 or 80B, if the increase falls to be determined by reference to an amount from which the guaranteed minimum for a member or a member's widow, widower or surviving civil partner has not been deducted.

**80F Revaluation by other methods: transitional protection in certain cases**

(1) This section applies to a scheme which, before the 2016 Act commencement date, provided for any description of benefits to which this Chapter applies to be revalued by a method that the scheme was allowed to use under subsection (3A) or (3B) of the old section 80.

(2) The scheme may continue to use that method of revaluation in relation to that description of benefits for so long as it continues to contain that provision.

(3) In subsection (1), “the old section 80” means section 80 as it had effect immediately before the substitution made by Schedule 1 to the Pension Schemes Act (Northern Ireland) 2016.”.