

SCHEDULES

SCHEDULE 3

Section 4.

EARNINGS FACTORS AND GUARANTEED MINIMUM PENSIONS

PART I

EARNINGS FACTORS

Social Security Pensions Act 1975 (c.60)

- 1 In subsection (1) of section 21 of the Social Security Pensions Act 1975 (revaluation of earnings factors) for the words from " relevant " to " benefit" there shall be substituted the words " which are relevant—
- (a) to the calculation—
 - (i) of the additional component in the rate of any long-term benefit; or
 - (ii) of any guaranteed minimum pension ; or
 - (b) to any other calculation required under Part III of this Act (including that Part as modified by or under any other enactment),".
- 2 (1) In subsection (7) of section 35 of that Act (earner's guaranteed minimum) for the words from "he" to "terminated", in the second place where it occurs, there shall be substituted the words " the final relevant year shall be determined for the purposes of subsection (2) above by reference to the last order under section 21 above to come into force before the end of the tax year in which the service in question is terminated and without reference to the last such order to come into force before the end of the final relevant year "
- (2) Any document the contents of which are in terms corresponding to those of section 35(7) of the Social Security Pensions Act 1975, as that subsection stood immediately before the passing of this Act, shall be construed as if its contents were and always had been in terms corresponding to those of that subsection as amended by sub-paragraph (1) above.
- 3 The following subsections shall be inserted after subsection (4) of section 41C of the Social Security Pensions Act 1975 (provisions supplementary to sections 41A and 41B)—
- “(4A) In calculating an earner's guaranteed minimum for the purposes of sections 41A and 41B above his earnings factor shall be taken to be that factor as increased, except as provided by subsection (4B) below, by the last order under section 21 above to come into force before the end of the tax year in which the termination of employment date falls.
 - (4B) If an earner's termination of employment date falls in the tax year in which he attains pensionable age, subsection (4A) above shall have effect in relation

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to him as if for the words from " tax year" onwards there were substituted the words " final relevant year

(4C) In subsection (4B) above "final relevant year" has the same meaning as in section 35 above.”.

4 The following paragraph shall be substituted for subsection (6)(a) of section 44 of the Social Security Pensions Act 1975 (state scheme premiums)—

“(a) any relevant earnings factor shall be taken to be that factor as increased by the last order under section 21 above to come into force before those five tax years; and”.

5 The following paragraph shall be substituted for subsection (3)(a) of section 45 of that Act (limited revaluation premiums)—

“(a) any earnings factor shall be taken to be that factor as increased by the last order under section 21 above to come into force before the five tax years ending with the tax year in which the scheme ceases to be contracted-out; and”.

Social Security (Miscellaneous Provisions) Act 1977 (c.5)

6 The following paragraph shall be substituted for subsection (1)(a) of section 21 of the Social Security (Miscellaneous Provisions) Act 1977 (calculation of guaranteed minimum pensions preserved under approved arrangements)—

“(a) any earnings factor shall be taken to be that factor as increased by the last order under section 21 of the Pensions Act to come into force before those five tax years ; and”.

7 (1) The provisions of this Part of this Schedule other than paragraph 3 above shall be deemed to have come into force on 6th April 1979.

(2) Paragraph 3 above shall be deemed to have come into force on 1st January 1985.

PART II

GUARANTEED MINIMUM PENSIONS

Social Security Pensions Act 1975 (c.60)

8 In section 35 of the Social Security Pensions Act 1975 (earner's guaranteed minimum)—

(a) in subsection (8) (by virtue of which a scheme which provides for revaluation under subsection (7) must make the same provision for all its members), after the word " applies" there shall be inserted the words " , except in such cases or classes of case as may be prescribed,"; and

(b) the following subsection shall be inserted after that subsection—

“(8A) An occupational pension scheme which—

(a) at any time before the coming into operation of the first regulations made under subsection (8) above did not satisfy that subsection ; but

(b) would have satisfied it if those regulations had then been in operation ;

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shall, for the purpose of determining whether the scheme satisfied that subsection, be treated as if those regulations had been in operation at that time.”.