



Pension Schemes Act 1993

1993 CHAPTER 48

PART V

ANNUAL INCREASES OF PENSIONS IN PAYMENT

CHAPTER II

GUARANTEED MINIMUM PENSIONS

109 Annual increase of guaranteed minimum pensions.

- (1) The Secretary of State shall in each tax year review the general level of prices in Great Britain for the period of 12 months commencing at the end of the period last reviewed under this section.
- (2) Where it appears to the Secretary of State that that level has increased at the end of the period under review, he shall lay before Parliament the draft of an order specifying a percentage by which there is to be an increase of the rate of that part of guaranteed minimum pensions which is attributable to earnings factors for the tax year 1988-89 and subsequent tax years for—
 - (a) earners who have attained pensionable age; and
 - (b) widows and widowers.
- (3) The percentage shall be—
 - (a) the percentage by which that level has increased at the end of the period under review; or
 - (b) 3 per cent.,whichever is less.
- (4) If a draft order laid before Parliament in pursuance of this section is approved by a resolution of each House, the Secretary of State shall make the order in the form of the draft.

Status: Point in time view as at 07/02/1994.

Changes to legislation: Pension Schemes Act 1993, Chapter II is up to date with all changes known to be in force on or before 05 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (5) An order under this section shall be so framed as to bring the alterations to which it relates into force on the first day of the next tax year after that in which the order is made.
- (6) Where the benefits mentioned in section 46(1) to (7) are not increased on the day on which an order under this section takes effect, the order shall be treated for the purposes of that section as not taking effect until the day on which those benefits are next increased.

Commencement Information

II Ss. 1-187 in force at 7.2.1994 by [S.I. 1994/86, art. 2](#)

110 Requirement as to resources for annual increase of guaranteed minimum pensions.

- (1) Except as permitted by subsection (2) or (3), the trustees or managers of a scheme may not make an increase in a person's pension which is required by virtue of section 109 out of money which would otherwise fall to be used for the payment of benefits under the scheme to or in respect of that person unless—
 - (a) the payment is to an earner in respect of the tax year in which he attains pensionable age and the increase is the one required to be made in the next tax year; or
 - (b) the payment is to a person as the widow or widower of an earner who died before attaining pensionable age and is in respect of the tax year in which the person became a widow or widower, and the increase is the one required to be made in the next tax year.
- (2) Where in any tax year the trustees or managers of an occupational pension scheme make an increase otherwise than in pursuance of section 109, they may deduct the amount of the increase from any increase which, but for this subsection, they would be required to make under that section in the next tax year.
- (3) Where in any tax year the trustees or managers of a scheme make an increase which is partly made otherwise than in pursuance of section 109, they may deduct the part of the increase so made from any increase which, but for this subsection, they would be required to make under that section in the next year.
- (4) Where by virtue of subsection (2) or (3) guaranteed minimum pensions are not required to be increased in pursuance of section 109, or not by the full amount that they otherwise would be, their amount shall be calculated for any purpose as if they had been increased in pursuance of that section or, as the case may be, by that full amount.

Commencement Information

II Ss. 1-187 in force at 7.2.1994 by [S.I. 1994/86, art. 2](#)

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