



Pension Schemes Act 1993

1993 CHAPTER 48

PART IV

PROTECTION FOR EARLY LEAVERS

CHAPTER III

PROTECTION OF INCREASES IN GUARANTEED MINIMUM PENSIONS (“ANTI-FRANKING”)

87 General protection principle.

- (1) This subsection applies where—
- (a) there is an interval between—
 - (i) the date on which an earner ceases to be in employment which is contracted-out by reference to an occupational pension scheme which is not a money purchase contracted-out scheme (“the cessation date”); and
 - (ii) the date on which his guaranteed minimum pension under that scheme commences (“the commencement of payment date”);
 - (b) the relevant sum exceeds his guaranteed minimum on the day after the cessation date; and
 - (c) on the commencement of payment date or at any time after it his guaranteed minimum pension under the scheme exceeds the amount of his guaranteed minimum under it on the day after the cessation date.
- (2) This subsection applies where—
- (a) there is an interval between the earner’s cessation date and whichever of the following is the earlier—
 - (i) the date of his death; or
 - (ii) his commencement of payment date;
 - (b) the relevant sum exceeds one half of the earner’s guaranteed minimum on the day after the cessation date; and

Status: Point in time view as at 30/12/2005. This version of this provision has been superseded.

Changes to legislation: Pension Schemes Act 1993, Section 87 is up to date with all changes known to be in force on or before 01 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)

- (c) at any time when a pension under the occupational pension scheme is required to be paid to the earner’s [^{F1}widow, widower or surviving civil partner, the widow's, widower’s or surviving civil partner’s (as the case may be)] guaranteed minimum pension under the scheme exceeds one half of the earner’s guaranteed minimum on the day after the cessation date.
- (3) Where subsection (1) or (2) applies, the weekly rate of the pension payable to the member at any time when that pension is required to be paid or, as the case may be, payable to the [^{F2}widow, widower or surviving civil partner] at any such time as is mentioned in subsection (2)(c) shall be an amount not less—
- (a) in a case where by virtue of section 73(2)(b) a pension is provided by way of complete substitute for short service benefit or, as the case may be, for [^{F3}widow's, widower’s or surviving civil partner's] pension, than the weekly rate of that pension; and
- (b) in any other case, than the relevant aggregate.
- (4) In subsection (3) “the relevant aggregate” means the aggregate of the following—
- (a) the relevant sum;
- (b) the excess mentioned in subsection (1)(c) or, as the case may be, subsection (2)(c);
- (c) any amount which is an appropriate addition at the time in question; and
- (d) where the scheme provides that part of the earner’s or, as the case may be, the [^{F4}widow's, widower’s or surviving civil partner's] pension shall accrue after the cessation date by reason of the earner’s employment after that date, the later earnings addition.
- (5) To the extent that amounts attributable to transfer credits have accrued by reason of any transfer before 1st January 1985, they are to be disregarded for the purposes of subsections (1)(c), (2)(c) and (4)(b).
- (6) Nothing in this section shall be construed as entitling an earner who has not reached normal pension age to any portion of a pension under a scheme to which he would not otherwise be entitled.
- (7) This section does not apply to a pension to which a person is entitled in respect of employment if—
- (a) the earner left the employment or left it for the last time before 1st January 1985; or
- (b) the employment ceased, or ceased for the last time, to be contracted-out in relation to him before that date.

Textual Amendments

- F1** Words in s. 87(2)(c) substituted (5.12.2005) by [The Civil Partnership \(Contracted-out Occupational and Appropriate Personal Pension Schemes\) \(Surviving Civil Partners\) Order 2005 \(S.I. 2005/2050\)](#), art. 1(3), [Sch. 1 para. 18\(a\)](#)
- F2** Words in s. 87(3) substituted (5.12.2005) by [The Civil Partnership \(Contracted-out Occupational and Appropriate Personal Pension Schemes\) \(Surviving Civil Partners\) Order 2005 \(S.I. 2005/2050\)](#), art. 1(3), [Sch. 1 para. 18\(b\)](#)
- F3** Words in s. 87(3)(a) substituted (5.12.2005) by [The Civil Partnership \(Contracted-out Occupational and Appropriate Personal Pension Schemes\) \(Surviving Civil Partners\) Order 2005 \(S.I. 2005/2050\)](#), art. 1(3), [Sch. 1 para. 18\(c\)](#)

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- F4** Words in s. 87(4)(d) substituted (5.12.2005) by The Civil Partnership (Contracted-out Occupational and Appropriate Personal Pension Schemes) (Surviving Civil Partners) Order 2005 (S.I. 2005/2050), art. 1(3), **Sch. 1 para. 18(c)**

Commencement Information

- I1** Ss. 1-187 in force at 7.2.1994 by S.I. 1994/86, **art. 2**

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