



Welfare Reform and Pensions Act 1999

1999 CHAPTER 30

PART IV

PENSION SHARING

CHAPTER I

SHARING OF RIGHTS UNDER PENSION ARRANGEMENTS

Pension debits

32 Effect on contracted-out rights.

- (1) The ^{M1}Pension Schemes Act 1993 shall be amended as follows.
- (2) In section 10 (protected rights), in subsection (1), for “subsections (2) and (3)” there shall be substituted “ the following provisions of this section ”, and at the end there shall be added—
 - “(4) Where, in the case of a scheme which makes such provision as is mentioned in subsection (2) or (3), a member’s rights under the scheme become subject to a pension debit, his protected rights shall exclude the appropriate percentage of the rights which were his protected rights immediately before the day on which the pension debit arose.
- (5) For the purposes of subsection (4), the appropriate percentage is—
 - (a) if the order or provision on which the pension debit depends specifies the percentage value to be transferred, that percentage;
 - (b) if the order or provision on which the pension debit depends specifies an amount to be transferred, the percentage which the appropriate amount for the purposes of subsection (1) of section 29 of the Welfare Reform and Pensions Act 1999 (lesser of specified amount and cash equivalent of transferor’s benefits) represents of the amount

Changes to legislation: There are currently no known outstanding effects for the Welfare Reform and Pensions Act 1999, Section 32. (See end of Document for details)

mentioned in subsection (3)(b) of that section (cash equivalent of transferor’s benefits).”

(3) After section 15 there shall be inserted—

“15A Reduction of guaranteed minimum in consequence of pension debit.

(1) Where—

(a) an earner has a guaranteed minimum in relation to the pension provided by a scheme, and

(b) his right to the pension becomes subject to a pension debit, his guaranteed minimum in relation to the scheme is, subject to subsection (2), reduced by the appropriate percentage.

(2) Where the earner is in pensionable service under the scheme on the day on which the order or provision on which the pension debit depends takes effect, his guaranteed minimum in relation to the scheme is reduced by an amount equal to the appropriate percentage of the corresponding qualifying benefit.

(3) For the purposes of subsection (2), the corresponding qualifying benefit is the guaranteed minimum taken for the purpose of calculating the cash equivalent by reference to which the amount of the pension debit is determined.

(4) For the purposes of this section the appropriate percentage is—

(a) if the order or provision on which the pension debit depends specifies the percentage value to be transferred, that percentage;

(b) if the order or provision on which the pension debit depends specifies an amount to be transferred, the percentage which the appropriate amount for the purposes of subsection (1) of section 29 of the Welfare Reform and Pensions Act 1999 (lesser of specified amount and cash equivalent of transferor’s benefits) represents of the amount mentioned in subsection (3)(b) of that section (cash equivalent of transferor’s benefits).”

(4) In section 47 (entitlement to guaranteed minimum pensions for the purposes of the relationship with social security benefits), at the end there shall be added—

“(6) For the purposes of section 46, a person shall be treated as entitled to any guaranteed minimum pension to which he would have been entitled but for any reduction under section 15A.”

(5) In section 181(1), there shall be inserted at the appropriate place—

““pension debit” means a debit under section 29(1)(a) of the Welfare Reform and Pensions Act 1999;”.

Commencement Information

II S. 32 wholly in force at 1.12.2000; s. 32 in force for certain purposes at Royal Assent see s. 89(1); s. 32 in force at 1.12.2000 insofar as not already in force by [S.I. 2000/1047](#), art. 2(2)(d), [Sch. Pt. IV](#)

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