



# Pensions Act 2007

## 2007 CHAPTER 22

### PART 1

#### STATE PENSION

##### *Additional pension: simplification of accrual rates*

#### **12 Additional pension: upper accrual point**

- (1) In section 22 of the SSCBA (earnings factors)—
  - (a) in subsection (2A) (person's earnings factors to be treated as derived only from so much of his earnings as did not exceed the upper earnings limit etc.) for "the upper earnings limit" substitute "the applicable limit"; and
  - (b) after that subsection insert—

“(2B) “The applicable limit” means—

    - (a) in relation to a tax year before the flat rate introduction year, the upper earnings limit;
    - (b) in relation to the flat rate introduction year or any subsequent tax year, the upper accrual point.”
- (2) In section 44 of the SSCBA (Category A retirement pension)—
  - (a) in subsection (6) (meaning of references to earnings factors) in paragraph (za) for "the upper earnings limit" substitute "the applicable limit";
  - (b) in subsection (7), at the end insert—

“(c) “the applicable limit” means—

    - (i) in relation to a tax year before the flat rate introduction year, the upper earnings limit;
    - (ii) in relation to the flat rate introduction year or any subsequent tax year, the upper accrual point.”
- (3) In section 122 of the SSCBA (interpretation of Parts 1 to 6)—
  - (a) in subsection (1), at the appropriate place insert—

---

*Status: This is the original version (as it was originally enacted).*

---

““the upper accrual point” is to be construed in accordance with subsections (7) and (8) below;”;

(b) after subsection (6) insert—

“(7) “The upper accrual point” is the amount that is equal to the amount of the upper earnings limit for the flat rate introduction year multiplied by 52.

This is subject to subsection (8) below.

(8) The Secretary of State may, by order made before the beginning of that year, direct that the upper accrual point is to be such other amount (whether greater or lesser than that mentioned in subsection (7) above) as is specified in the order.”

- (4) Part 7 of Schedule 1 contains consequential amendments.
- (5) Subsection (6) applies if it appears to the Secretary of State that (apart from that subsection) he would be required to make an order under section 148A of the Administration Act (revaluation of low earnings threshold) by virtue of which the low earnings threshold for the following tax year would be an amount not less than the upper accrual point.
- (6) In that event the Secretary of State—
- (a) is not required to make such an order under section 148A of the Administration Act, and
  - (b) instead must make an order abolishing the low earnings threshold and the upper accrual point as from the beginning of the following tax year.
- (7) An order under subsection (6) may make—
- (a) such consequential, incidental or supplemental provision, and
  - (b) such transitional, transitory or saving provision,
- as the Secretary of State thinks necessary or expedient in connection with, or in consequence of, the abolition of the low earnings threshold and the upper accrual point.
- (8) An order under subsection (6) may in particular amend, repeal or revoke any provision of any Act or subordinate legislation (whenever passed or made).
- (9) No order may be made under subsection (6) unless a draft of the order has been laid before and approved by a resolution of each House of Parliament.
- (10) In this section—
- “the low earnings threshold” has the meaning given by section 44A(5) of the SSCBA;
  - “the upper accrual point” has the meaning given by section 122(7) and (8) of that Act.