



# Public Service Pensions Act 2013

## 2013 CHAPTER 25

### *Design*

#### **8 Types of scheme**

- (1) Scheme regulations may establish a scheme under section 1 as—
  - (a) a defined benefits scheme,
  - (b) a defined contributions scheme, or
  - (c) a scheme of any other description.
- (2) A scheme under section 1 which is a defined benefits scheme must be—
  - (a) a career average revalued earnings scheme, or
  - (b) a defined benefits scheme of such other description as Treasury regulations may specify.
- (3) Treasury regulations may not specify a final salary scheme under subsection (2)(b).
- (4) A scheme under section 1 is a “career average revalued earnings scheme” if—
  - (a) the pension payable to or in respect of a person, so far as it is based on the person's pensionable service, is determined by reference to the person's pensionable earnings in each year of pensionable service, and
  - (b) those earnings, or a proportion of those earnings accrued as a pension, are under the scheme revalued each year until the person leaves pensionable service.
- (5) Treasury regulations under this section are subject to the negative Commons procedure.

#### **9 Revaluation**

- (1) This section applies in relation to a scheme under section 1 which—
  - (a) requires a revaluation of pensionable earnings of a person, or a proportion of those earnings accrued as a pension, until the person leaves pensionable service, and

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*Status: This is the original version (as it was originally enacted).*

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- (b) requires such a revaluation to be by reference to a change in prices or earnings (or both) in a given period.
- (2) The change in prices or earnings to be applied for the purposes of such a revaluation is to be such percentage increase or decrease as a Treasury order may specify in relation to the period.
- (3) For the purposes of making such an order the Treasury may determine the change in prices or earnings in any period by reference to the general level of prices or earnings estimated in such manner as the Treasury consider appropriate.
- (4) A Treasury order under this section—
  - (a) must be made in each year;
  - (b) may make different provision for different purposes.
- (5) A Treasury order under this section is subject to—
  - (a) the affirmative Commons procedure, if the order specifies a percentage decrease for the purposes of subsection (2), and
  - (b) the negative Commons procedure, in any other case.
- (6) For the purposes of subsection (1) any gap in the person's pensionable service which does not exceed five years is to be disregarded.

## 10 Pension age

- (1) The normal pension age of a person under a scheme under section 1 must be—
  - (a) the same as the person's state pension age, or
  - (b) 65, if that is higher.
- (2) Subsection (1) does not apply in relation to—
  - (a) fire and rescue workers who are firefighters,
  - (b) members of a police force, and
  - (c) members of the armed forces.

The normal pension age of such persons under a scheme under section 1 must be 60.

- (3) The deferred pension age of a person under a scheme under section 1 must be—
  - (a) the same as the person's state pension age, or
  - (b) 65, if that is higher.
- (4) Where—
  - (a) a person's state pension age changes, and
  - (b) the person's normal or deferred pension age under a scheme under section 1 changes as a result of subsection (1) or (3),
 the change to the person's normal or deferred pension age must under the scheme apply in relation to all the benefits (including benefits already accrued under the scheme) which may be paid to or in respect of the person under the scheme and to which the normal or deferred pension age is relevant.
- (5) In this Act—
  - (a) “normal pension age”, in relation to a person and a scheme, means the earliest age at which the person is entitled to receive benefits under the scheme (without actuarial adjustment) on leaving the service to which the scheme

relates (and disregarding any special provision as to early payment of benefits on the grounds of ill-health or otherwise);

- (b) “deferred pension age”, in relation to a person and a scheme, means the earliest age at which the person is entitled to receive benefits under the scheme (without actuarial adjustment) after leaving the service to which the scheme relates at a time before normal pension age (and disregarding any special provision as to early payment of benefits on the grounds of ill-health or otherwise);
- (c) “state pension age”, in relation to a person, means the pensionable age of the person as specified from time to time in Part 1 of Schedule 4 to the Pensions Act 1995.