
STATUTORY INSTRUMENTS

2005 No. 704

The Personal and Occupational Pension Schemes
(Indexation and Disclosure of Information)
(Miscellaneous Amendments) Regulations 2005

PART 2

AMENDMENTS RELATING TO INDEXATION

Occupational Pension Schemes (Discharge of Liability) Regulations 1997

Discharge of liability: guaranteed minimum pensions, short service benefits etc

12.—(1) Regulation 5 of the Occupational Pension Schemes (Discharge of Liability) Regulations 1997⁽¹⁾ (other requirements applying to policies of insurance and annuity contracts) is amended as follows.

(2) Renumber the existing text as paragraph (1).

(3) For paragraph (1)(b) substitute—

“(b) that the policy or contract contains, or is endorsed with, terms so as to provide for such increase (if any) in the payments under the policy or contract as is required by paragraph (2);”.

(4) After paragraph (1) add—

“(2) For the purposes of paragraph (1)(b)—

(a) an increase is required if sections 51 and 52 of the 1995 Act, and regulations made under those sections, would apply to payments under the policy or contract if those payments were benefits payable under an occupational pension scheme (and for this purpose, the provisions of the 1995 Act shall be construed in accordance with regulation 11(6)(a) to (d)); and

(b) such an increase shall be payable at the same rate, and to the same extent, as would be required under those provisions.”.

Discharge of liability: pensions under a relevant scheme

13.—(1) Regulation 11 of the Occupational Pension Schemes (Discharge of Liability) Regulations 1997⁽²⁾ (conditions on which liability to provide pensions under a relevant scheme may be discharged) is amended as follows.

(2) In paragraph (3)—

(a) for sub-paragraph (c) substitute—

(1) [S.I. 1997/784](#).

(2) Regulation 11 was amended by [S.I. 1999/3198](#).

- “(c) payments to a beneficiary, or to his widow or widower, under the policy or contract which derive from a pension or accrued rights under the relevant scheme shall be subject to such increase (if any) as is required by paragraph (4A);”;
 - and
 - (b) in sub-paragraph (e) omit paragraph (i).
- (3) After paragraph (4) insert—
- “(4A) For the purposes of paragraph (3)(c)—
 - (a) an increase is required if sections 51 and 52 of the 1995 Act, and regulations made under those sections, would apply to payments under the policy or contract if those payments were benefits payable under an occupational pension scheme; and
 - (b) such an increase shall be payable at the same rate, and to the same extent, as would be required under those provisions.”.
- (4) In paragraph (6), for the words “For the purposes of paragraph (3)(e)” substitute “For the purposes of paragraphs (3)(e) and (4A)”.