
STATUTORY INSTRUMENTS

2013 No. 459

**The Occupational and Stakeholder Pension Schemes
(Miscellaneous Amendments) Regulations 2013**

Amendment of the Pension Sharing (Pension Credit Benefit) Regulations 2000

7. For regulation 32 (increase of relevant pension) of the Pension Sharing (Pension Credit Benefit) Regulations 2000(1) substitute—

“Increase of relevant pension

32.—(1) Subject to regulations 33 and 34, a relevant pension shall be increased each year by either the appropriate percentage, or, where the rules of an occupational pension scheme require the relevant pension to be increased at intervals of not more than 12 months, the relevant percentage.

(2) A relevant pension shall not be increased under paragraph (1) if, under the rules of the occupational pension scheme, it is for the time being increased, and since the relevant date has always been increased, at intervals of not more than 12 months by at least—

(a) the percentage increase in the retail prices index for the reference period, being a period determined, in relation to each periodic increase, under the rules of the scheme; or

(b) if lower, the default percentage for that period.

(3) In paragraph (2), “the relevant date” means—

(a) 1st January 2011 or, if later, the date on which the relevant pension became a pension in payment; or

(b) if the relevant pension was transferred to the occupational pension scheme from another occupational pension scheme as a pension in payment after 1st January 2011, the date of the transfer.

(4) If the relevant pension was transferred to the occupational pension scheme as mentioned in paragraph (3)(b), paragraph (2) does not apply to the relevant pension unless, immediately before the transfer, paragraph (2) (read with this paragraph if relevant) applied to the relevant pension by reference to the scheme from which it was transferred.

(5) In this regulation the default percentage for a period is the percentage for that period which corresponds to—

(a) 5 per cent. per annum in a case where—

(i) the relevant pension is in payment before 6th April 2005; or

(ii) the relevant pension is not in payment before 6th April 2005 but the entitlement to the relevant pension credit arose before that day;

(b) 2.5 per cent. per annum in a case where the entitlement to the relevant pension credit arises on or after 6th April 2005.

(6) This regulation does not apply to a relevant pension provided to give effect to eligible pension credit rights of a member under a qualifying occupational pension scheme which—

- (a) is a cash balance benefit; and
- (b) first comes into payment on or after 6th April 2013.

(7) In this regulation—

“appropriate percentage” means—

- (a) in a case where entitlement to the relevant pension credit arose before 6th April 2005, the higher revaluation percentage; and
- (b) in a case where entitlement to the relevant pension credit arose on or after 6th April 2005, the lower revaluation percentage,

for the latest revaluation period specified in the order under paragraph 2 of Schedule 3 to the 1993 Act (revaluation of accrued pension benefits) which is in force at the time of the increase (expressions used in this definition having the same meaning as in that paragraph);

“cash balance benefit” has the same meaning as in section 51ZB of the 1995 Act;

“consumer prices index” means—

- (a) the general index of consumer prices (for all items) published by the Statistics Board; or
- (b) where that index is not published for a month, any substituted index or figures published by the Board;

“relevant percentage” means—

- (a) the percentage increase in the consumer prices index for the reference period, being a period determined, in relation to each periodic increase, under the rules of the scheme; or
- (b) if lower, the default percentage for that period;

“retail prices index” means—

- (a) the general index of retail prices (for all items) published by the Statistics Board; or
- (b) where that index is not published for a month, any substituted index or figures published by the Board.”.