



# Social Security Pensions Act 1975

## 1975 CHAPTER 60

### PART IV

#### OCCUPATIONAL PENSIONS

*[<sup>F1</sup> The revaluation percentage]*

#### Textual Amendments

**F1** Ss. 52A-52D inserted by [Social Security Act 1985 \(c. 53\)](#), [Sch. 1](#), para. 2

#### **52A Duty of Secretary of State to specify revaluation percentage.**

(1) The Secretary of State shall in each revaluation year by order specify a revaluation percentage for each revaluation period.

(2) In this section—

“revaluation period”, in relation to each order under this section, means a period—

(a) which commences—

(i) on the date of the commencement of this section; or

(ii) on an anniversary of the date of the commencement of this section falling before the making of the order; and

(b) which ends on the day before the first anniversary of the date of the commencement of this section to fall after the making of the order; and

“revaluation year” means a year beginning on the date of the commencement of this section or on an anniversary of that date.

(3) Subject to subsection (8) below, the revaluation percentage which the Secretary of State is to specify in relation to each revaluation period is the percentage which appears to him [<sup>F2</sup> to be the percentage increase in the general level of prices obtaining in Great

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Britain during the period which is the reference period in relation to that revaluation period, estimated in such manner as he thinks fit.]

- (4) The reference period in the case of the revaluation period to which the first order under this section relates is any period of 12 months—
- (a) which ends not earlier than 6 months before the date on which the order is made; and
  - (b) for which it appears to the Secretary of State that information is available to him sufficient to enable him to determine the percentage increase in prices in Great Britain satisfactorily.
- (5) The reference period in the case of any revaluation period to which a subsequent order relates is to be determined in accordance with subsection (6) or (7) below.
- (6) In the case of the revaluation period with the earliest commencement date the reference period is the period which—
- (a) begins at the commencement of the reference period mentioned in subsection (4) above; and
  - (b) ends on the latest anniversary of the end of that period to fall before the making of the order.
- (7) In the case of each of the other revaluation periods the reference period is the period which—
- (a) begins on the last anniversary of the commencement of the reference period mentioned in subsection (4) above to fall before the commencement of the revaluation period; and
  - (b) ends on the last anniversary of the end of that reference period to fall before the making of the order.
- [<sup>F3</sup>(8) Where, apart from this subsection, the revaluation percentage in relation to a revaluation period would exceed the maximum rate, the Secretary of State shall instead specify as the revaluation percentage for that period a percentage equal to the maximum rate.
- (9) For the purposes of subsection (8) above, “the maximum rate”, in relation to a revaluation period, is—
- (a) in the case of a revaluation period of 12 months, 5 per cent.; and
  - (b) in any other case, the percentage that would be the revaluation percentage had the general level of prices increased at the rate of 5 per cent. compound per annum during the reference period in question.]

#### Textual Amendments

- F2** Words substituted (with effect from 1.10.1989) by [Social Security Act 1989 \(c. 24\), Sch. 6, para. 13\(1\)](#)
- F3** [S. 52A\(8\)](#) and (9) substituted (with effect from 1.10.1989) for subsection (8) by [Social Security Act 1989 \(c. 24\), Sch. 6, para. 13\(2\)](#)

## 52B Revaluation and transfer values.

Schedule 1A to this Act shall have effect in relation to the revaluation of pensions and to transfer values.

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*Extinguishment of liability of scheme for pensions  
secured by insurance policies or annuity contracts*

**52C**

- (1) <sup>F4</sup>A transaction to which this section applies discharges the trustees or managers of an occupational pension scheme from their liability to provide for or in respect of any person either <sup>F5</sup>the requisite benefits<sup>F6</sup> guaranteed minimum pensions] or short service benefit or any alternative to short service benefit—
- (a) if it is carried out not earlier than the time when that person’s pensionable service terminates; and
  - (b) if and to the extent that it results in—
    - (i) <sup>F7</sup>the requisite benefits<sup>F8</sup> guaranteed minimum pensions]; or
    - (ii) short service benefit, or an alternative to short service benefit, for or in respect of that person being appropriately secured and
  - (c) in a case where the transaction takes place on or after 1st January 1986, if and to the extent that the requirements set out in any one of paragraphs (a), (b) and (c) of subsection (5) below are satisfied.
- (2) This section applies to the following transactions—
- (a) the taking out or the transfer of the benefit of a policy of insurance or a number of such policies;
  - (b) the entry into or the transfer of the benefit of an annuity contract or a number of such contracts.]
- (4) In this section “appropriately secured” means secured by an appropriate policy of insurance or an appropriate annuity contract, or by more than one such policy or contract; and a policy of insurance or annuity contract is appropriate for the purposes of this section if—
- <sup>F9</sup>(a) the insurance company with which it is or was taken out or entered into—
    - (i) is, or was at the relevant time, carrying on ordinary long-term insurance business in the United Kingdom or any other member State; and
    - (ii) satisfies, or satisfied at the relevant time, prescribed requirements; and]
  - (b) it may not be assigned or surrendered except on conditions which satisfy such requirements as may be prescribed; and
  - (c) it contains, or is endorsed with, terms whose effect is that the amount secured by it may not be commuted except on conditions which satisfy such requirements as may be prescribed; and
  - (d) it satisfies such other requirements as may be prescribed.
- (5) The requirements referred to in subsection <sup>F10</sup>(1) above are—
- (a) that the arrangement for securing the amount by means of the policy or contract was made—
    - (i) at the written request of the earner or his widow; or
    - (ii) with his or her consent given in writing in a prescribed form;
  - (b) that—
    - (i) the case is one such as is mentioned in paragraph 13(5) of Schedule 1A to this Act; and
    - (ii) the policy or contract only secures guaranteed minimum pensions;

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- (c) that—
- (i) the case is not one such as is mentioned in paragraph 13(5) of Schedule 1A to this Act; and
  - (ii) such conditions as may be prescribed are satisfied.
- (6) In subsection (4)(a) above, “the relevant time” means the time when the policy of insurance was taken out or the annuity contract was entered into or, as the case may be, when the benefit of the policy or contract was transferred.
- (7) In this section—
- “insurance company” and “ordinary long-term insurance business” have the meanings assigned to them by the Insurance Companies Act 1982; and “pensionable service” and “short service benefit” are to be construed in accordance with Schedule 16 to the Social Security Act 1973.

#### Textual Amendments

- F4** S. 52A(1)(2) substituted retrospectively for s. 52A(1)-(3) by [Social Security Act 1986 \(c. 50\)](#), [Sch. 10](#), para. 26(1)
- F5** Words saved, for transactions which took place before 1.11.1986, by [Social Security Act 1986 \(c. 50\)](#), [Sch. 10](#), para. 26(3)
- F6** Words substituted, for transactions which took place from 1.11.1986, by [Social Security Act 1986 \(c. 50\)](#), [Sch. 10](#), para. 26(3)
- F7** Words saved, for transactions which took place before 1.11.1986, by [Social Security Act 1986 \(c. 50\)](#), [Sch. 10](#), para. 26(3)
- F8** Words substituted, for transactions which took place from 1.11.1986, by [Social Security Act 1986 \(c. 50\)](#), [Sch. 10](#), para. 26(3)
- F9** S. 52C(4)(a) substituted (with effect from 13.5.1991 for making regulations, 4.11.1991 for all other purposes) by [Social Security Act 1990 \(c. 27\)](#), [Sch. 4](#), para. 10
- F10** “(1)” substituted retrospectively by [Social Security Act 1986 \(c. 50\)](#), [Sch. 10](#), para. 26(2)

#### Modifications etc. (not altering text)

- C1** [Paragraph 14](#) of [Sch. 6](#) to the [Social Security Act 1989 \(c. 24\)](#), makes it clear that the words “for or in respect of that person being appropriately secured” are part of s. 52C(1)(b), but not (as originally printed) part of s. 52C(1)(b)(ii)

### 52D Guaranteed minimum pensions under contracted-out schemes - supplementary.

- (1) Where—
- (a) guaranteed minimum pensions provided for a member or his widow under a contracted-out scheme have been wholly or partly secured as mentioned in section 52C above by a policy or a number of policies of insurance taken out with one or more companies or by an annuity contract or a number of annuity contracts entered into with one or more companies, or by both a policy or a number of policies and an annuity contract or a number of annuity contracts; and
  - <sup>F11</sup>(b) either—
    - (i) the transaction wholly or partly securing them was carried out before 1st January 1986 and discharged the trustees or managers of the scheme as mentioned in subsection (1) of that section; or

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(ii) it is carried out on or after that date without any of the requirements specified in subsection (5)(a) to (c) of that section being satisfied in relation to it and the scheme has been wound up;] and

(c) any such company is unable to meet the liabilities under policies issued or securities given by it; and

(d) the combined proceeds of any policy or policies taken out as mentioned in section 52C above and of any annuity contract or annuity contracts entered into as there mentioned and of any cash sums paid or alternative arrangements made under the Policyholders Protection Act 1975 are inadequate to provide the whole of the amount secured,

the member and his widow shall be treated for the purposes of [F12sections 29(1), 29A, 29B and 29C above] as [F13only entitled to such part (if any) of his or her guaranteed minimum pension as] is provided by the proceeds mentioned in paragraph (d) above.

[ (2) ..... F14

(4) Where a scheme has ceased by virtue of section 52C above to be liable to provide guaranteed minimum pensions for a member and his widow<sup>1</sup>, the duties imposed on the Occupational Pensions Board by sections 40(2), 41 and 49 above shall cease to subsist in relation to those pensions.

(5) Any question whether a cash sum paid or an alternative arrangement made under the Policyholders Protection Act 1975 provides the whole or any part of the guaranteed minimum pension to which an earner or his widow was entitled under a contracted-out scheme is to be determined for the purposes of this Act by the Secretary of State.

(6) The Secretary of State may make any determination required by subsection (5) above on such basis as he considers appropriate.]

#### Textual Amendments

**F11** S. 52D(1)(b) substituted retrospectively by Social Security Act 1986 (c. 50), **Sch. 10**, para. 27(1)(a)

**F12** Words substituted (with effect from 1.7.1992) by Social Security (Consequential Provisions) Act 1992 (c. 6) Sch. 2, para. 33

**F13** Words substituted retrospectively by Social Security Act 1986 (c. 50), **Sch. 10**, para. 27(1)(b)

**F14** S. 52D(2)(3) repealed by Social Security Act 1986 (c. 50), **Sch. 11**

#### Modifications etc. (not altering text)

**C2** S. 52D(1) to be construed (with effect from 6.4.1988) as if references to “widow” included references to widower (and with consequential modifications) by virtue of Social Security Act 1986 (c. 50), **s.9(4)(h)**

### *Equal access to occupational pension schemes*

#### Modifications etc. (not altering text)

**C3** Under para. 11(a) of Sch. 5, and under Sch. 9, to the Social Security Act 1989 (c. 24), **ss. 53-56** are due, *prosp.*, to be repealed.

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### 53 Equal access requirements.

- (1) The provisions of sections 54 to 56 below shall have effect with a view to securing that the rules of occupational pension schemes conform with the equal access requirements.
- (2) Subject to subsection (3) below, the equal access requirements in relation to a scheme are that membership of the scheme is open to both men and women on terms which are the same as to the age and length of service needed for becoming a member and as to whether membership is voluntary or obligatory.
- (3) Regulations may—
  - (a) provide for the equal access requirements to apply, whether to an occupational pension scheme, or to terms of employment relating to membership of it, or to both, with such modifications and exceptions as the Secretary of State considers necessary for particular cases or classes of case;
  - (b) modify those requirements in any manner which he thinks appropriate with a view to securing the orderly implementation of the provisions of sections 54 to 56 below and to obtaining general compliance with those provisions.
- (4) A rule does not contravene the equal access requirements only because it confers on the scheme's trustees or managers, or others, a discretion whose exercise may result in a person being more or less favourably treated than he otherwise would be, so long as the rule does not provide for the discretion to be exercised in any discriminatory manner as between men and women.
- (5) This section and sections 54 to 56 below shall have effect in relation to any occupational pension scheme which is in force on, or comes into force after, the day on which this section comes into operation, being a scheme whose resources are derived as mentioned in section 40(1) above.
- (6) Regulations may make provision—
  - (a) for the <sup>M1</sup>Equal Pay Act 1970 to have effect, in relation to terms of employment relating to membership of an occupational pension scheme, with such modifications as may be prescribed;
  - (b) for imposing requirements on employers as to the payment of contributions and otherwise in case of their failing or having failed to comply with any such terms;
  - (c) for the consequential modification of a scheme's rules where there has been an alteration under the <sup>M2</sup>Equal Pay Act 1970 of any such terms.
- (7) A reference in this section to terms of employment includes (where the context permits)—
  - (a) any collective agreement or pay structure;
  - (b) a wages regulation order within section 4 of the <sup>M3</sup>Equal Pay Act 1970; and
  - (c) an agricultural wages order within section 5 of that Act.

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#### Modifications etc. (not altering text)

- C4** Under para. 11(a) of Sch. 5, and under Sch. 9, to the [Social Security Act 1989 \(c. 24\)](#), **ss. 53-56** are due, prosp., to be repealed.

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#### Marginal Citations

- M1** 1970 c. 41.  
**M2** 1970 c. 41.  
**M3** 1970 c. 41.

### 54 Duty to bring schemes into conformity with equal access requirements.

- (1) Where the rules of an occupational pension scheme do not comply with the equal access requirements it shall be the responsibility of—
- (a) the trustees and managers of the scheme; or
  - (b) in the case of a public service pension scheme, the Minister, government department or other person or body concerned with its administration,
- to take such steps as are open to them for bringing the rules of the scheme into conformity with those requirements.
- (2) The Occupational Pensions Board may at any time, and shall if requested by any such persons as are mentioned in subsection (1) above, advise whether the rules of a scheme do or do not in the Board's opinion conform with the equal access requirements and, where the Board advise that the rules do not conform, they shall indicate what steps they consider should be taken with a view to securing conformity.

#### Modifications etc. (not altering text)

- C5** Under para. 11(a) of Sch. 5, and under Sch. 9, to the [Social Security Act 1989 \(c. 24\)](#), **ss. 53-56** are due, prosp., to be repealed.

### 55 Determination of questions whether scheme conforms with equal access requirements.

- (1) On an application made to them in respect of an occupational pension scheme (other than a public service pension scheme) by persons competent to make such an application in respect of it, the Occupational Pensions Board shall issue a determination as to whether or not the rules of the scheme conform with the equal access requirements.
- [<sup>F15</sup>(2) The persons competent to make an application under this section in respect of a scheme are—
- (a) the persons mentioned in section 41E(2)(a) to (d) above; and
  - (b) such other persons as regulations may specify, in relation to any category of schemes into which the scheme falls, as being proper persons to make an application for the purposes of this section in respect of a scheme of that category.]
- (3) The Board may at any time of their own motion issue in respect of a scheme which has come to their notice any determination which they could issue in the case of that scheme on an application to them under subsection (1) above; and this subsection applies in particular to a scheme which the Board are considering with a view to contracting-out and one in respect of which an application has been made to them under section 64 of the <sup>M4</sup>Social Security Act 1973 for an order authorising the modification of the scheme or modifying it.

*Status: Point in time view as at 01/02/1991.*

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- (4) Any question arising in proceedings before any court or tribunal or before the Industrial Arbitration Board whether the rules of an occupational pension scheme conform with the equal access requirements shall be referred to the Occupational Pensions Board and determined by that Board.
- (5) At any time when the Occupational Pensions Board are concerned with a scheme for the purpose of issuing a determination under this section, they may include a determination (whether or not applied for) as to any of the particular matters specified in subsection (2) of section 53 above or in that subsection as modified by regulations under subsection (3) of that section.

#### Textual Amendments

**F15** S. 55(2) substituted by [Social Security Act 1985 \(c. 53\)](#), [Sch. 5](#), para. 32

#### Modifications etc. (not altering text)

**C6** Under para. 11(a) of Sch. 5, and under Sch. 9, to the [Social Security Act 1989 \(c. 24\)](#), [ss. 53-56](#) are due, prosp., to be repealed.

#### Marginal Citations

**M4** [1973 c. 38](#).

## 56 Modification of schemes to secure conformity.

- (1) If the Occupational Pensions Board determine under section 55 above that the rules of a scheme do not conform with the equal access requirements they shall, either at the time of issuing their determination or as soon thereafter as they think expedient—
- (a) by order direct the trustees or managers of the scheme, or any such persons as are referred to in subsection (2)(b) of that section, to exercise such powers as they possess for modifying the scheme with a view to bringing it into conformity with those requirements (for which purpose the Board shall include in their order such directions as they think appropriate to indicate the modification appearing to them to be called for); or
  - (b) if there is no person with power to modify the scheme as required by the Board, by order authorise the trustees or managers, or other persons named in the order (who may in particular include such an employer as is specified in subsection (2)(c) of that section) to make that modification; or
  - (c) themselves by order modify the scheme with a view to achieving the purposes above-mentioned.
- (2) The Board may exercise their powers under subsection (1) above from time to time in relation to any scheme in respect of which they have issued a determination under section 55 above, and may exercise the powers together or separately.
- (3) Any modification of a scheme made in pursuance of an order of the Board under subsection (1)(b) or (c) above shall be as effective in law as if it had been made under powers conferred by or under the scheme; and such an order may be made and complied with in relation to a scheme—
- (a) notwithstanding any enactment or rule of law, or any rule of the scheme, which would otherwise operate to prevent the modification being made;



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- (b) without regard to any such enactment, rule of law or rule of the scheme as would otherwise require, or might otherwise be taken to require, the implementation of any procedure, or the obtaining of any consent, with a view to the making of the modification.
- (4) An order of the Board under subsection (1)(a) above may require persons to exercise a power retrospectively (whether or not the power could otherwise be so exercised), and an order under subsection (1)(b) or (c) may operate retrospectively; and in this subsection “retrospectively” means with effect from a date before that on which the power is exercised or, as the case may be, the order is made, not being in either case a date earlier than the coming into operation of this section.
- (5) In section 64(3) of the Social Security Act 1973 (which confers power to modify schemes for various purposes) after paragraph (d) there shall be inserted—
- “(dd) to comply with the equal access requirements specified in section 53 of the Pensions Act but without prejudice to anything in section 56 of that Act,”

#### Modifications etc. (not altering text)

- C7** Under para. 11(a) of Sch. 5, and under Sch. 9, to the [Social Security Act 1989 \(c. 24\)](#), **ss. 53-56** are due, prosp., to be repealed.
- C8** The text of s. 56(5) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

*[<sup>F16</sup> Information about and registration of occupational pension schemes]*

#### Textual Amendments

- F16** [Sections 56A, 56E](#) and [56L](#) inserted by [Social Security Act 1985 \(c. 53\)](#), **Sch. 2**

### **56A Power to make regulations requiring disclosure of information about schemes to members etc.**

- (1) The Secretary of State may by regulations specify requirements to be complied with in the case of an occupational pension scheme with respect to keeping the persons mentioned in subsection (2) below informed of—
- (a) its constitution;
- (b) its administration and finances;
- (c) the rights and obligations that arise or may arise under it; and
- (d) any other matters that appear to the Secretary of State to be relevant to occupational pension schemes in general or to pension schemes of a description to which that scheme belongs.
- (2) The persons referred to in subsection (1) above are—
- (a) members and prospective members of the scheme;
- (b) spouses of members and prospective members;
- (c) persons within the application of the scheme and qualifying or prospectively qualifying for its benefits;

*Status: Point in time view as at 01/02/1991.*

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- (d) independent trade unions recognised to any extent for the purposes of collective bargaining in relation to members and prospective members of the scheme.
- (3) Without prejudice to the generality of section 166(2) of the principal Act, the regulations may distinguish between—
- (a) cases in which information is to be given as of course; and
  - (b) cases in which information need only be given on request or in other prescribed circumstances.
- (4) The regulations shall make provision for referring to an industrial tribunal any question whether an organisation is such a trade union as is mentioned in subsection (2)(d) above.
- (5) Regulations under this section override any provision of an occupational pension scheme to the extent that that provision conflicts with them.
- (6) The Occupational Pension Board may at any time, and shall if requested by the trustees or managers of an occupational pension scheme, advise on any question whether any provision of regulations under this section does or does not override any provision of the scheme.
- (7) On an application made to them in respect of an occupational pension scheme, (other than a public service pension scheme) by persons competent to make such an application in respect of it, the Occupational Pensions Board shall issue a determination on any such question as is mentioned in subsection (6) above.
- (8) The persons competent to make an application under subsection (7) above are—
- (a) the persons mentioned in section 41E(2)(a) above; and
  - (b) such other persons as regulations may specify, in relation to any category of schemes into which the scheme falls, as being proper persons to make an application for the purposes of subsection (7) above in respect of a scheme of that category.
- (9) In this section “independent trade union” has the meaning assigned to it by section 153 of the Employment Protection (Consolidation) Act 1978.

**Modifications etc. (not altering text)**

- C9** Under reg. 3(8) of [S.I. 1987/1116](#), [s. 56A](#) has effect (27.7.1987) in relation to personal pension schemes subject to the modifications in para. 1 of Sch. 3 to that S.I.

**56B–** ..... **F17**  
**56D**

**Textual Amendments**

- F17** [Ss. 56B-56D](#), [56E\(1\)\(c\)](#), [56F-56K\(3\)](#) repealed (with effect from 18.7.1990) by [Social Security Act 1990 \(c. 27\)](#), [s. 13\(2\)](#) and Sch. 7 (and expressed to be repealed (7.2.1994) by [1993 c. 48](#), [s. 188](#), [Sch. 5 Pt. I](#); [S.I. 1994/86](#), [art. 2](#))

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**56E Additional documents for members etc. and registrar.**

- (1) Without prejudice to the generality of the power conferred on him by subsection (1) of section 56A above, the Secretary of State may by regulations require the trustees of an occupational pension scheme or, if there are no trustees, the managers—
  - (a) to obtain at such times as may be prescribed documents to which this subsection applies;
  - (b) to make copies of them available to the persons specified in subsection (2) of that section; and
  - (c) ..... F18
- (2) In relation to any scheme the documents to which subsection (1) above applies are—
  - (a) its audited accounts;
  - (b) an auditor’s statement about contributions under it;
  - (c) an actuarial valuation of its assets in relation to its liabilities; and
  - (d) an actuary’s statement concerning such aspects of any such valuation as may be prescribed.
- (3) The Secretary of State may by regulations—
  - (a) prescribe the persons who may act as auditors or actuaries for the purposes of this section; or
  - (b) provide that the persons who may so act shall be—
    - (i) persons with prescribed professional qualifications or experience; or
    - (ii) persons approved by the Secretary of State.
- (4) The Secretary of State may by regulations make provision as to the form and content of any such document as is mentioned in subsection (2) above.
- (5) Regulations under this section override any provision of an occupational pension scheme to the extent that that provision conflicts with them.
- (6) The Occupational Pensions Board may at any time, and shall if requested by the trustees or managers of an occupational pension scheme, advise on any question whether any provision of regulations under this section does or does not override any provision of the scheme.
- (7) On an application made to them in respect of an occupational pension scheme (other than a public service pension scheme) by persons competent to make such an application in respect of it, the Occupational Pensions Board shall issue a determination on any such question as is mentioned in subsection (6) above.
- (8) The persons competent to make an application under subsection (7) above in respect of a scheme are—
  - (a) the persons mentioned in section 41E(2)(a) to (d) above; and
  - (b) such other persons as regulations may specify, in relation to any category of schemes into which the scheme falls, as being proper persons to make the application for the purposes of subsection (7) above in respect of a scheme of that category.

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**Textual Amendments**

**F18** Ss. 56B-56D, 56E(1)(c), 56F-56K(3) repealed (with effect from 18.7.1990) by [Social Security Act 1990 \(c. 27\), s. 13\(2\)](#) and Sch. 7

**56F–** ..... **F19**  
**56J**

**Textual Amendments**

**F19** Ss. 56B-56D, 56E(1)(c), 56F-56K(3) repealed (with effect from 18.7.1990) by [Social Security Act 1990 \(c. 27\), s. 13\(2\)](#) and Sch. 7 (and expressed to be repealed (7.2.1994) by [1993 c. 48, s. 188, Sch. 5 Pt. I](#); [S.I. 1994/86, art. 2](#))

**56K**  
(1) ..... **F20**  
(4) ..... **F21**  
(5) ..... **F22**

**Textual Amendments**

**F20** Ss. 56B-56D, 56E(1)(c), 56F-56K(3) repealed (with effect from 18.7.1990) by [Social Security Act 1990 \(c. 27\), s. 13\(2\)](#) and Sch. 7 (and expressed to be repealed (7.2.1994) by [1993 c. 48, s. 188, Sch. 5 Pt. I](#); [S.I. 1994/86, art. 2](#))

**F21** S. 56K(4) repealed (before coming into force) by [Social Security Act 1986 \(c. 50\), Sch. 11](#) (and expressed to be repealed (7.2.1994) by [1993 c. 48, s. 188, Sch. 5 Pt. I](#); [S.I. 1994/86, art. 2](#) )

**F22** Ss. 56K(5)(6), 56L(1)(b), (5)(b) and (9), 56M and 56N repealed (with effect from 18.7.1990) by [Social Security Act 1990 \(c. 27\), s. 13\(2\)](#) and Sch. 7 (and expressed to be repealed (7.2.1994) by [1993 c. 48, s. 188, Sch. 5 Pt. I](#); [S.I. 1994/86, art. 2](#))

**56L**

(1) If the trustees or managers of a scheme, having made default in complying with—

- (a) regulations under section 56A or 56E(1)(b) . . . <sup>F23</sup>above; or
- (b) ..... <sup>F24</sup>

fail to make good the default within 14 days after the service of a notice on them requiring them to do so, an order may be made under this subsection.

(2) The Secretary of State may by regulations specify forms for notices under subsection (1) above.

(3) An order under subsection (1) above is an order directing the trustees or managers to make good the default within such time as may be specified in the order.

(4) The power to make such an order shall be exercisable by the appropriate court on the application of a person to whom this subsection applies.

(5) Subsection (4) above applies—

- (a) to the Secretary of State;

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Social Security Pensions Act 1975, Part IV. (See end of Document for details)*

- (b) ..... <sup>F24</sup>
- (c) to any person authorised by the Secretary of State . . . <sup>F23</sup> to make an application under this section; and
- (d) in the case of a default in complying with regulations under section 56A or 56E(1)(b) above, to any aggrieved person.
- (6) In this section “the appropriate court” means—
- (a) in England and Wales, a county court; and
- (b) in Scotland, the sheriff.
- (7) An application to the sheriff shall be made by summary application.
- (8) An order under this section may provide that all costs (or in Scotland, expenses) of and incidental to the application shall be borne personally by any of the trustees or managers of the scheme.
- (9) ..... <sup>F24</sup>

**Textual Amendments**

**F23** Words repealed (with effect from 1.10.1990) by [Social Security Act 1990 \(c. 27\), Sch. 7](#)

**F24** [Ss. 56K\(5\)\(6\), 56L\(1\)\(b\), \(5\)\(b\) and \(9\), 56M and 56N](#) repealed (with effect from 18.7.1990) by [Social Security Act 1990 \(c. 27\), s. 13\(2\)](#) and Sch. 7

**Modifications etc. (not altering text)**

**C10** Under reg. 3(8) of, and para. 2 of Sch. 3 to, [S.I. 1987/1116, s. 56L](#) above has effect (27.7.1987) in relation to personal pension schemes subject to the substitution, in subsection (1), of “a personal pension scheme” for “a scheme”.

**56M,** ..... <sup>F25</sup>  
**56N.**

**Textual Amendments**

**F25** [Ss. 56K\(5\)\(6\), 56L\(1\)\(b\), \(5\)\(b\) and \(9\), 56M and 56N](#) repealed (with effect from 18.7.1990) by [Social Security Act 1990 \(c. 27\), s. 13\(2\)](#) and Sch. 7 (and expressed to be repealed (7.2.1994) by [1993 c. 48, s. 188, Sch. 5 Pt. I; S.I. 1994/86, art. 2](#))

*[<sup>F26</sup> Auditors]*

**Textual Amendments**

**F26** [S. 56P](#) and crossheading inserted (with effect from 6.4.1987) by [Social Security Act 1986 \(c. 50\), s. 11](#)

**[<sup>F27</sup> 56P Regulations as to auditors.**

The Secretary of State may by regulations make provisions as to—

- (a) the appointment, resignation and removal of auditors of occupational pension schemes;

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Social Security Pensions Act 1975, Part IV. (See end of Document for details)*

- (b) the duty of employers and auditors of employers to disclose information to the trustees or managers of occupational pension schemes and the auditors of such schemes;
- (c) the duty of trustees or managers of an occupational pension scheme to disclose information and to make available documents to the auditors of the scheme.]

#### Textual Amendments

**F27** S. 56P and crossheading inserted (with effect from 6.4.1987) by [Social Security Act 1986 \(c. 50\), s. 11](#)

#### Other provisions

### 57 Disclosure of information by Occupational Pensions Board.

The Occupational Pensions Board may inform any person claiming to be entitled to a pension under an occupational pension scheme of the name and address of any person appearing to the Board to be responsible for paying that pension notwithstanding that information with respect to that matter has come into the Board's possession by virtue of section 89 of the <sup>M5</sup>Social Security Act 1973 (disclosure to Board of information obtained by Commissioners of Inland Revenue).

#### Modifications etc. (not altering text)

**C11** S. 57 has effect (27.7.1987) in relation to personal pension schemes as if the reference in it to an occupational pension scheme were a reference to a personal pension scheme: [S.I. 1987/1116 reg. 3\(9\)](#)

#### Marginal Citations

**M5** 1973 c. 38.

### [<sup>F28</sup>57A Restrictions on investment of scheme's resources in employer-related assets.

- (1) An occupational pension scheme shall comply with such restrictions as may be prescribed with respect to the proportion of its resources that may at any time be invested in, or in any description of, employer-related investments.
- (2) In this section—
  - “employer-related investments” means—
    - (a) shares or other securities issued by the employer or by any person who is connected with, or an associate of, the employer;
    - (b) land which is occupied or used by, or subject to a lease in favour of, the employer or any such person;
    - (c) property (other than land) which is used for the purposes of any business carried on by the employer or any such person;
    - (d) loans to the employer or any such person;

“the employer” means the employer of persons in the description or category of employment to which the scheme in question relates;

“securities” means any asset, right or interest falling within paragraph 1, 2, 4 or 5 of Schedule 1 to the Financial Services Act 1986.

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Social Security Pensions Act 1975, Part IV. (See end of Document for details)*

- (3) If and to the extent that any sums due and payable by a person to the trustees or managers of a scheme remain unpaid, those sums shall be regarded for the purposes of this section as loans made to that person by the trustees or managers, and resources of the scheme shall be regarded as invested accordingly.
- (4) Sections 249 and 435 of the Insolvency Act 1986 (connected and associated persons) shall apply for the purposes of this section as they apply for the purposes of that Act; and section 74 of the Bankruptcy (Scotland) Act 1985 shall apply for the purposes of this section as that section applies for the purposes of the said Act of 1985.]

**Textual Amendments**

**F28** S. 57A inserted (with effect from 3.12.1990) by Social Security Act 1990 (c. 27), Sch. 4, para. 3

[<sup>F29</sup>**57B Grants by the Board to advisory bodies etc.**

- (1) The Occupational Pensions Board may make grants on such terms and conditions as they think fit to any person or body of persons providing advice or assistance, or carrying out other prescribed functions, in connection with occupational or personal pensions.
- (2) The Secretary of State may pay to the Occupational Pensions Board such sums as he may think fit towards any expenditure of theirs in making grants under this section.]

**Textual Amendments**

**F29** S. 57B inserted (with effect from 1.10.1990) by Social Security Act 1990 (c. 27), Sch. 4, para. 11

[<sup>F30</sup>**57C Requirement for independent trustee where employer becomes insolvent etc.**

- (1) This section applies in relation to an occupational pension scheme which is constituted by trust deed—
- (a) if a person (“the practitioner”) commences to act as an insolvency practitioner in relation to a company which, or an individual who, is the employer of persons in the description or category of employment to which the scheme relates; or
- (b) if the official receiver becomes—
- (i) the liquidator or provisional liquidator of a company which is the employer of any such persons, or
- (ii) the receiver and the manager, or the trustee, of the estate of a bankrupt who is the employer of any such persons.
- (2) If and so long as this section applies to a scheme, it shall be the duty of the practitioner or official receiver—
- (a) to satisfy himself that at all times at least one of the trustees of the scheme is an independent person; and
- (b) if at any time he is not so satisfied, to appoint under this paragraph, or to secure the appointment of, an independent person as a trustee of the scheme;
- but this subsection is subject to subsection (5) below.

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*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Social Security Pensions Act 1975, Part IV. (See end of Document for details)*

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- (3) For the purposes of subsection (2) above a person is “independent” only if—
- (a) he has no interest in the assets of the employer or of the scheme, otherwise than as trustee of the scheme;
  - (b) he is neither connected with, nor an associate of—
    - (i) the employer;
    - (ii) any person for the time being acting as an insolvency practitioner in relation to the employer; or
    - (iii) the official receiver, acting in any of the capacities mentioned in subsection (1)(b) above in relation to the employer; and
  - (c) he satisfies such other requirements as may be prescribed;
- and any reference in this section or section 57D below to an “independent trustee” shall be construed accordingly.
- (4) Sections 249 and 435 of the Insolvency Act 1986 (connected and associated persons) shall apply for the purposes of paragraph (b) of subsection (3) above as they apply for the purposes of that Act; and section 74 of the Bankruptcy (Scotland) Act 1985 (associated persons) shall apply for the purposes of that paragraph as that section applies for the purposes of the said Act of 1985.
- (5) Where, apart from this subsection, the duties imposed by subsection (2) above in relation to a scheme would fall to be discharged at the same time by two or more persons acting in different capacities, those duties shall be discharged—
- (a) if the employer is a company, by the person or persons acting as the company’s liquidator, provisional liquidator or administrator; or
  - (b) if the employer is an individual by the person or persons acting as his trustee in bankruptcy or interim receiver of his property or as permanent or interim trustee in the sequestration of his estate.
- (6) if the practitioner or official receiver neglects or refuses to discharge any duty imposed upon him by subsection (2) above in relation to a scheme, any member of the scheme may apply to the appropriate court for an order requiring him to discharge his duties under that subsection.
- (7) Where this section applies in relation to a scheme, it shall cease to do—
- (a) if some person other than the employer mentioned in subsection (1) above becomes the employer of persons in the description or category of employment to which the scheme relates; or
  - (b) if at any time neither the practitioner nor the official receiver is acting in relation to the employer;
- but nothing in this subsection affects the application of this section in relation to the scheme on any subsequent occasion when the conditions specified in subsection (1) (a) or (b) above are satisfied in relation to the scheme.
- (8) In this section:—
- “acting as an insolvency practitioner” and “official receiver” shall be construed in accordance with sections 388 and 399 of the Insolvency Act 1986;
- “the appropriate court”, in relation to an application for an order under subsection (6) above, means—
- (a) if the employer in question is a company—



*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Social Security Pensions Act 1975, Part IV. (See end of Document for details)*

- (i) where a winding up order has been made or a provisional liquidator appointed, the court which made the order or appointed the liquidator;
  - (ii) in any other case, any court having jurisdiction to wind up the company; and
- (b) in any other case—
- (i) in England and Wales, the court as defined in section 385 of the Insolvency Act 1986; or
  - (ii) in Scotland, where sequestration has been awarded or, by virtue of the proviso to section 13(1) of the Bankruptcy (Scotland) Act 1985 (petition presented by creditor or trustee acting under trust deed) an interim trustee appointed, the court which made the award or appointment and, if no such award or appointment has been made, any court having jurisdiction under section 9 of that Act;
- “bankrupt” has the meaning given by section 381 of the Insolvency Act 1986;
- “company” means a company within the meaning given by section 735(1) of the Companies Act 1985 or a company which may be wound up under Part V of the Insolvency Act 1986 (unregistered companies);
- “interim trustee” and “permanent trustee” have the same meaning as they have in the Bankruptcy (Scotland) Act 1985.
- (9) References in this section to an individual include, except where the context otherwise requires, references to a partnership and to any debtor within the meaning of the Bankruptcy (Scotland) Act 1985.]

#### Textual Amendments

**F30** Ss. 57C and 57D inserted (with effect from 12.11.1990) by [Social Security Act 1990 \(c. 27\)](#), [Sch. 4, para. 1](#), (but with effect from 22.10.1990 for the purpose of making regulations). These sections are subject to modification and disapplication in specified circumstances, and their insertion is subject to a saving for specified processes started before 12.11.1990, under [S.I. 1990/2075](#).

#### **57D Independent trustees: further provisions.**

- (1) If and so long as section 57C above applies in relation to a scheme, no independent trustee of the scheme shall be removed from being a trustee by virtue only of any provision of the scheme.
- (2) If a trustee appointed under subsection (2)(b) of that section ceases to be an independent trustee, then—
  - (a) he shall forthwith give written notice of that fact to the practitioner or official receiver by whom the duties under that provision fall to be discharged; and
  - (b) he shall cease to be a trustee of the scheme, unless the circumstances are such that upon his cessation there would be no other trustee of the scheme, in which case he shall not cease by virtue of this subsection to be a trustee until such time as another trustee is appointed.
- (3) A trustee appointed under subsection (2)(b) of that section shall be entitled to be paid out of the scheme’s resources his reasonable fees for acting in that capacity and any expenses reasonably incurred by him in doing so, and to be so paid in priority to all other claims falling to be met out of the scheme’s resources.

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*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Social Security Pensions Act 1975, Part IV. (See end of Document for details)*

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- (4) If, immediately before the appointment of an independent trustee under subsection (2) (b) of that section, there is no trustee of the scheme other than the employer, the employer shall cease to be a trustee upon the appointment of the independent trustee.
- (5) If and so long as section 57C above applies in relation to a scheme—
- (a) any power vested in the trustees or managers of the scheme and exercisable at their discretion shall be exercisable only by the independent trustee; and
  - (b) any power—
    - (i) which the scheme confers on the employer (otherwise than as trustee or manager of the scheme), and
    - (ii) which is exercisable by him at his discretion but only as trustee of the power,
 shall be exercisable only by the independent trustee;
- but if, in either case, there is more than one independent trustee, the power shall also be exercisable with the consent of at least half of those trustees by any person who could exercise it apart from this subsection.
- (6) Notwithstanding anything in section 155 of the Insolvency Act 1986 (court orders for inspection etc), if and so long as section 57C above applies in relation to a scheme, it shall be the duty of the practitioner or official receiver to provide the trustees of the scheme, as soon as practicable after the receipt of a request, with any information which the trustees may reasonably require for the purposes of the scheme.
- (7) Any expenses incurred by the practitioner or official receiver in complying with a request under subsection (6) above shall be recoverable by him as part of the expenses incurred by him in the discharge of his duties; and he shall not be required under that subsection to take any action which involves expenses that cannot be so recovered, unless the trustees of the scheme undertake to meet them.
- (8) The provisions of section 57C above and this section, and of any regulations made under that section or this section, override any provision of a scheme to the extent that it conflicts with them.
- (9) The Secretary of State may make regulations modifying section 57C above and this section in their application—
- (a) to any occupational pension scheme which applies to earners in employments under different employers;
  - (b) to any occupational pension scheme of which there are no members who are in pensionable service under the scheme, as defined in paragraph 3 of Schedule 16 to the 1973 Act; or
  - (c) to any case where a partnership is the employer, or one of the employers, in relation to an occupational pension scheme.
- (10) Section 57C above and this section (other than this subsection) shall not apply in relation to an occupational pension scheme of a prescribed description.

## 58 Priority in bankruptcy etc.

Schedule 3 to this Act shall have effect . . . <sup>F31</sup>[<sup>F32</sup>for the purposes, in respect of the sequestration of estates in Scotland, of Schedule 3 to the Bankruptcy (Scotland) Act 1985 (preferred debts)] for affording priority in cases of insolvency to liabilities

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Social Security Pensions Act 1975, Part IV. (See end of Document for details)*

in respect of contributions to occupational pension schemes and in respect of state scheme premiums.

#### Textual Amendments

- F31** Words, as applying to company insolvency in Great Britain, and also as applying to bankruptcy in relation to England and Wales only, deleted by [Insolvency Act 1986 \(c. 45\)](#), [Sch. 14](#).
- F32** Words inserted, for bankruptcy in Scotland, by [Bankruptcy \(Scotland\) Act 1985 \(c. 66\)](#), [Sch. 7](#), para. 13.

### [<sup>F33</sup>58A Annual increase in rate of pension, other than guaranteed minimum pension or money purchase benefit.

- (1) This section applies in relation to any occupational pension scheme—
- which is neither a public service pension scheme nor a money purchase scheme; and
  - whose rules do not require the annual rate of every pension which commences or has commenced under the scheme to be increased each year by at least an amount equal to the appropriate percentage of that rate.
- (2) On and after the appointed day, Schedule 3A to this Act shall have effect for the purpose of requiring the provision by schemes to which this section applies of annual increases in the annual rates of pensions under those schemes.

- (3) In this section—

“annual rate”, in relation to a pension, means the annual rate of the pension, as previously increased under the rules of the scheme or under Schedule 3A to this Act;

“the appointed day” means the day on which this section and Schedule 3A to this Act come into force;

“the appropriate percentage”, in relation to an increase in the annual rate of a pension, means the percentage specified in the last revaluation order made before the increase is to take effect as the revaluation percentage for the last revaluation period of twelve months;

“money purchase scheme” means a pension scheme under which all the benefits that may be provided are money purchase benefits;

“pension” does not include—

- a guaranteed minimum pension or any increase in such a pension under section 37A above; or
- any money purchase benefit;

“revaluation order”, “revaluation percentage” and “revaluation period” shall be construed in accordance with section 52A above.]

#### Textual Amendments

- F33** [S. 58A](#) inserted (17.8.1990 for certain purposes otherwise *prosp.*) by [Social Security Act 1990 \(c. 27\)](#), [s. 11\(1\)](#); [S.I. 1990/1446](#) art. 2

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*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Social Security Pensions Act 1975, Part IV. (See end of Document for details)*

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**[<sup>F34</sup>58B Deficiencies in the assets of a scheme on winding up.**

- (1) If, in the case of an occupational pension scheme which is not a money purchase scheme, the value at the applicable time of the scheme's liabilities, as determined in accordance with regulations, exceeds the value of its assets, as so determined, then—
- (a) an amount equal to the excess shall be treated as a debt due from the employer to the trustees of the scheme; and
  - (b) if that debt has not been discharged before the default time then, for the purposes of the law relating to winding up, bankruptcy or sequestration as it applies in relation to the employer, it shall be taken to arise at the default time.
- (2) In this section—
- “the applicable time” means the earlier of—
- (a) any time when the scheme is being wound up which falls before the default time; or
  - (b) the default time;
- “the default time” means—
- (a) in England and Wales—
    - (i) where the employer is a company, immediately before the company goes into liquidation, within the meaning of section 247(2) of the Insolvency Act 1986; or
    - (ii) where the employer is an individual, immediately before the commencement of his bankruptcy, within the meaning of section 278 of that Act; or
  - (b) in Scotland—
    - (i) where the employer is a company, immediately before the commencement of the company's being wound up, within the meaning of section 129 of that Act; or
    - (ii) where the employer is a debtor, within the meaning of the Bankruptcy (Scotland) Act 1985, immediately before the date of sequestration as defined in section 12(4) of that Act;
- “the employer” means the employer of persons in the description or category of employment to which the scheme relates;
- “money purchase scheme” has the same meaning as it has in section 58A above.
- (3) The power to make regulations conferred by subsection (1) above included power to provide—
- (a) that, in calculating the value of the scheme's liabilities, an provision of the scheme which limits the amount of its liabilities by reference to the amount of its assets is to be disregarded;
  - (b) that the value of the scheme's liabilities or assets is to be calculated and verified in such manner as may, in the particular case, approved—
    - (i) by a prescribed person,
    - (ii) by a person with prescribed professional qualifications or experience, or
    - (iii) by a person approved by the Secretary of State, or that their value is to be calculated and verified in accordance with guidance prepared by a prescribed body.

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Social Security Pensions Act 1975, Part IV. (See end of Document for details)*

- (4) This section is without prejudice to any other right or remedy which the trustees may have in respect of the deficiency.
- (5) A debt due by virtue only of this section shall be regarded neither as a preferential debt for the purposes of the Insolvency Act 1986 nor as a preferred debt for the purposes of the Bankruptcy (Scotland) Act 1985.
- (6) The Secretary of State may make regulations modifying this section in its application—
  - (a) to any occupational pension scheme which applies to earners in employments under different employers;
  - (b) to any case where a partnership is the employer, or one of the employers, in relation to an occupational pension scheme;
  - (c) to any occupational pension scheme of which there are no members who are in pensionable service under the scheme, as defined in paragraph 3 of Schedule 16 to the 1973 Act; or
  - (d) to any case where the assets and liabilities of the scheme are transferred to another occupational pension scheme.
- (7) The provisions of this section and of any regulations made under it override any provision of a scheme to the extent that it conflicts with this section or those regulations.]

#### Textual Amendments

**F34** S. 58B inserted (with effect from 29.6.1992.) by [Social Security Act 1990 \(c. 27\)](#), [Sch. 4](#), para. 2

#### Modifications etc. (not altering text)

**C12** S. 58B(2) modified, where there are multiple employers or there are no members in pensionable service, by reg. 3(b) or reg. 4 of [S.I. 1992/1555](#) as from 1.7.92. Also for multiple employers, an extra subsection ((1A)) is added to s. 58B by reg. 3(a) or 4(b) of [S.I. 1992/1555](#) as from 1.7.1992.

## 59 Increase of official pensions.

- (1) Where by virtue of <sup>F35</sup>section 151 of the Administration Act a direction is given that the sums mentioned in section 150(1)(c) of that Act] are to be increased by a specified percentage the Minister for the Civil Service shall by order provide that the annual rate of an official pension may, if a qualifying condition is satisfied or the pension is <sup>F36</sup>derivative or substituted pension or a relevant injury pension], be increased in respect of any period beginning on or after the date on which the direction takes effect—
  - (a) if the pension began before the beginning of the base period for that direction, by the same percentage as that specified in the direction;
  - (b) if the pension began during the base period, by that percentage multiplied by A/B where A is the number of complete months in the period between the beginning of the pension and the end of the base period and B is the number of complete months in the base period.
- (2) Where an order is made under this section in consequence of any such direction as aforesaid the order shall, in addition to the provision required by subsection (1) above, authorise the payment of an increase in respect of any lump sum that becomes payable

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*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Social Security Pensions Act 1975, Part IV. (See end of Document for details)*

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during the base period for that direction, being an increase equal to the percentage specified in the direction multiplied by A/B where—

- (a) A is the number of complete months in the period between the beginning date for the lump sum (or, if later, the date from which it was last authorised to be increased by an order under this section) and the date on which it becomes payable; and
  - (b) B is the number of complete months in that base period.
- (3) In the case of the first order made under this section in consequence of any such direction as aforesaid, subsection (1) above shall have effect as if the increase required to be authorised in the case of any pension (whether beginning before or during the base period) were an increase equal to the percentage specified in the direction multiplied by A/B where—
- (a) A is the number of complete months in the period between the beginning of the pension (or, if later, the date from which it was last authorised to be increased by an order under section 2 of the <sup>M6</sup>Pensions (Increase) Act 1971) and the end of the base period for that direction; and
  - (b) B is the number of complete months in that base period.
- (4) In the case of the first order so made under this section, subsection (2) above shall have effect as if—
- (a) for the reference to any lump sum that becomes payable during the base period there were substituted a reference to any lump sum that becomes or has become payable before the end of the base period but after the date from which official pensions were last increased by an order under section 2 of the <sup>M7</sup>Pensions (Increase) Act 1971; and
  - (b) the reference in paragraph (a) of the subsection to the date from which the lump sum was last authorised to be increased were a reference to the date specified in paragraph (a) above.
- (5) The increases in the rate of a pension that may be provided for by an order under this section are to be calculated by reference to the basic rate of the pension as authorised to be increased by section 1 of the said Act of 1971 or by any order under section 2 of that Act or this section; but where—
- [<sup>F37</sup>(a) a person is entitled to a guaranteed minimum pension when an order under this section comes into force; and
  - (b) entitlement to that guaranteed minimum pension arises from an employment from which (either directly or by virtue of the payment of a transfer credit . . . <sup>F38</sup>) entitlement to the official pension also arises;
- the amount by reference] to which any increase authorised by that or any subsequent order is to be calculated shall be reduced by an amount equal to the rate of the guaranteed minimum pension.
- [<sup>F39</sup>(5ZA) In the application of subsection (5) above in relation to a widow's or widower's pension in a case where the pensioner becomes entitled on the death of the deceased spouse to such a guaranteed minimum pension as is there mentioned.
- (a) the pensioner shall be treated as having been entitled to that guaranteed minimum pension at all times during the period beginning with the date on which the deceased spouse became entitled to a guaranteed minimum pension and ending with the date of the death;

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Social Security Pensions Act 1975, Part IV. (See end of Document for details)*

- (b) the rate of the guaranteed minimum pension to which the pensioner is treated as so entitled at any time during that period shall be taken to be one half of the rate of the deceased spouse's guaranteed minimum pension at that time; and
- (c) the amount by reference to which any increase in the widow's or widower's pension is to be calculated shall, subject to any directions under section 59A below (whether made before or after the coming into force of this subsection), be accordingly reduced under that subsection by an amount equal to the rate, as determined under paragraph (b) above, of the guaranteed minimum pension to which the pensioner is treated as entitled;

but this subsection does not apply to a widow's or widower's pension in respect of any service of the deceased spouse if the deceased spouse became payable before the coming into force of this subsection.]

[<sup>F40</sup>(5A) Nothing in section 37A(13), (14) or (15) above authorises any deduction from an increase in the rate of an official pension under this section.]

(6) Any order under this section shall be made by statutory instrument and shall be laid before Parliament after being made.

(7) In this section—

“base period”, in relation to any such direction as is mentioned in subsection (1) above, means the period ending with the coming into force of that direction and beginning with the coming into force of the last previous such direction or, if there was none, with [<sup>F41</sup>13th November 1978 (date of the relevant order under section 124 of the principal Act, increasing rates of benefit);]

“beginning date”, in relation to a lump sum, shall be construed in accordance with sections 8(2) and 9(2)(a) of the said Act of 1971;

“lump sum” includes an instalment of a lump sum;

[<sup>F42</sup>“widower's pension” means a pension payable in respect of the services of the pensioner's deceased wife]

and this section [<sup>F43</sup>and section 59A of this Act] and the said Act of 1971 shall have effect as if this section [<sup>F43</sup>and section 59A of this Act] were contained in Part I of that Act.

[<sup>F44</sup>(8) Where, for the purposes of this section, it is necessary to calculate the number of complete months in any period an incomplete month shall be treated as a complete month if it consists of at least 16 days.]

#### Textual Amendments

- F35** Words substituted by [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\), Sch. 2, para. 34](#)
- F36** Words substituted by the [Pensions \(Miscellaneous Provisions\) Act 1990 \(c. 7\), s. 1\(7\)](#)
- F37** Words substituted by [Social Security Act 1979 \(c. 18\), s. 11\(1\)](#)
- F38** Words repealed by [Social Security Act 1985 \(c. 53\), Sch. 5, para. 33](#) and Sch. 6
- F39** [S. 59\(5ZA\)](#) inserted (with effect from 24.7.1990) by [Pensions \(Miscellaneous Provisions\) Act 1990 \(c. 7\), s. 5\(1\)](#)
- F40** [S. 59\(5A\)](#) inserted (with effect from 6.4.1988) by [Social Security Act 1986 \(c. 50\), s. 9\(8\)](#)
- F41** Words substituted by [Social Security Act 1979 \(c. 18\), s. 11\(2\)](#)
- F42** Definition inserted (with effect from 24.7.1990) by [Pensions \(Miscellaneous Provisions\) Act 1990 \(c. 7\), s. 5\(2\)](#)
- F43** Words inserted by [Social Security Act 1979 \(c. 18\), Sch. 3 para. 20](#)

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Social Security Pensions Act 1975, Part IV. (See end of Document for details)*

**F44** S. 59(8) inserted by Social Security Act 1979 (c. 18), s. 11(3)

#### Marginal Citations

**M6** 1971 c. 56.

**M7** 1971 c. 56.

#### [<sup>F45</sup>59A Modification of effect of section 59(5).

- (1) This section applies where the amount by reference to which an increase in an official pension is to be calculated would, but for the provisions of this section, be reduced under section 59(5) of this Act by an amount equal to the rate of a guaranteed minimum pension.
- (2) The Minister for the Civil Service may direct that in such cases or classes of case as may be specified in the direction—
  - (a) no such reduction shall be made; or
  - (b) the reduction shall be of an amount less than the rate of the guaranteed minimum pension;
 and in any case to which such a direction applies the increase shall, in respect of such period or periods as may be specified in the direction, be calculated in accordance with the direction, notwithstanding section 59(5).

[ Where in any tax year—

- <sup>F46</sup>(2A) (a) an increase is calculated in accordance with a direction under this section; and  
(b) the amount by reference to which the increase is calculated, or any part of it, is increased in that tax year under section 37A above,

the increase calculated in accordance with the direction shall be reduced by the amount of the increase under section 37A above.]

- (3) A direction under this section may provide that where it has applied in any case and ceases to apply in that case, the rate of the official pension for any period following the date on which the direction ceases to apply shall, in such circumstances as may be specified in the direction, be calculated as if the direction had never applied.
- (4) A direction under this section may provide that the rate of an official pension shall, in such circumstances as may be specified in the direction, be calculated as if the direction had been in force at all times during such period as may be so specified.
- (5) A direction made under subsection (2) above may be varied or revoked by a subsequent direction.]

#### Textual Amendments

**F45** S. 59A inserted by Social Security Act 1979 (c. 18), s. 11(4)

**F46** S. 59A(2A) inserted (with effect from 6.4.1988) by Social Security Act 1986 (c. 50), s. 9(9)



**Status:**

Point in time view as at 01/02/1991.

**Changes to legislation:**

There are currently no known outstanding effects for the Social Security Pensions Act 1975, Part IV.