
STATUTORY INSTRUMENTS

1987 No. 1113

**The Personal and Occupational Pension Schemes
(Abatement of Benefit) Regulations 1987**

Guaranteed minimum pension to which earner is treated as entitled after minimum contributions have been paid

2.—(1) Where, in relation to any tax week, except a tax week such as is mentioned in paragraph (3), minimum contributions have been paid in respect of an earner, sections 16(2B), 28(7A) and 59(1A) of the Social Security Act 1975(1) and section 29 of the Pensions Act shall have effect in relation to him, as from the date on which he reaches pensionable age, as if he were entitled to a guaranteed minimum pension, arising from that tax week —

- (a) at the rate described in paragraph (2) if that tax week fell within a tax year which was a relevant year in relation to that earner; and
- (b) at a nil rate if it did not.

(2) The rate referred to in paragraph (1)(a) is the same rate as that of the guaranteed minimum pension to which he would have been entitled if —

- (a) he had been employed in that tax week in employment which was contracted-out employment by virtue of section 32(2)(a) and (b) of the Pensions Act;
- (b) his earnings factor for the relevant year which included that tax week, so far as derived from earnings (being earnings such as are mentioned in section 35(1) of the Pensions Act upon which primary Class 1 contributions have been paid or treated as paid) from that employment in that tax week, had been equal to the amount of which the minimum contributions referred to in paragraph (1) (less any part of them paid under section 3(1)(b) of the Social Security Act 1986) are the rebate percentage; and
- (c) the occupational pension scheme by reference to which that employment was contracted-out had made no provision under section 35(7) of the Pensions Act.

(3) In circumstances where, in relation to any tax week —

- (a) minimum contributions have been paid in respect of an earner; and
- (b) in respect of the protected rights which derived from them a transfer payment has been made in accordance with regulations 2(5) or (6) and 3(b) of the Transfer Payment Regulations,

sections 16(2B), 28(7A) and 59(1A) of the Social Security Act 1975 and section 29 of the Pensions Act shall have effect in relation to him, as from the date on which he reaches pensionable age, as if he were entitled to a guaranteed minimum pension arising from that tax week at a nil rate.

(1) 1975 c. 14. Sections 16(2B), 28(7A) and 59(1A) were inserted by the Social Security Act 1985 (c. 53), section 9(1)(b), (2) (c) and (4)(b).