



# Pensions Act 2007

## CHAPTER 22

### PENSIONS ACT 2007

#### PART 1

##### STATE PENSION

###### *Entitlement to Category A and B retirement pensions*

- 1 Category A and B retirement pensions: single contribution condition
- 2 Category B retirement pension: removal of restriction on entitlement

###### *Credits for basic state pension*

- 3 Contributions credits for relevant parents and carers

###### *Abolition of adult dependency increases*

- 4 Category A and C retirement pensions: abolition of adult dependency increases

###### *Up-rating of basic state pension and other benefits*

- 5 Up-rating of basic pension etc. and standard minimum guarantee by reference to earnings
- 6 Preservation of link with prices in case of other benefits
- 7 Removal of link between lower earnings limit and basic pension
- 8 Removal of link between lower earnings limit and basic pension: Northern Ireland

###### *Additional pension: deemed earnings factors*

- 9 Deemed earnings factors for purposes of additional pension

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*Additional pension: simplification of accrual rates*

- 10 Additional pension: removal of accrual band from 2010-11
- 11 Additional pension: simplified accrual rates as from flat rate introduction year
- 12 Additional pension: upper accrual point

*Increase in state pension age*

- 13 Increase in pensionable age for men and women

**PART 2**

OCCUPATIONAL AND PERSONAL PENSION SCHEMES

*Contracting-out*

- 14 Conversion of guaranteed minimum pensions
- 15 Abolition of contracting-out for defined contribution pension schemes

*Dispute resolution*

- 16 Dispute resolution arrangements

*Actuarial guidance*

- 17 Removal of Secretary of State's role in approving actuarial guidance

*Financial assistance scheme*

- 18 Financial assistance scheme: increased levels of payments
- 19 Temporary restriction on purchase of annuities

**PART 3**

PERSONAL ACCOUNTS DELIVERY AUTHORITY

- 20 Personal Accounts Delivery Authority
- 21 Initial function of the Authority
- 22 Management of the Authority
- 23 Winding up of the Authority

**PART 4**

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- 27 Consequential etc. provision, repeals and revocations
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SCHEDULES

SCHEDULE 1 — State pension: consequential and related amendments

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Part 1 — CATEGORY A AND B RETIREMENT PENSIONS: SINGLE CONTRIBUTION CONDITION

- 1 (1) Section 44 of the SSCBA (Category A retirement pension)...
- 2 (1) Section 48A of the SSCBA (Category B retirement pension)...
- 3 (1) Section 48B of the SSCBA (Category B retirement pension)...
- 4 In section 60 of the SSCBA (complete or partial failure...
- 5 After section 60 of the SSCBA insert— Failure to satisfy...

Part 2 — CATEGORY B RETIREMENT PENSION: REMOVAL OF RESTRICTION ON ENTITLEMENT

- 6 In section 54 of the SSCBA (Category A and B...
- 7 In section 55 of the SSCBA (pension increase or lump...
- 8 In Schedule 5 to the SSCBA (pension increase or lump...

Part 3 — CONTRIBUTIONS CREDITS FOR RELEVANT PARENTS AND CARERS

*Social Security Contributions and Benefits Act 1992 (c. 4)*

- 9 In section 22 of the SSCBA (earnings factors) after subsection...
- 10 In section 176 of the SSCBA (parliamentary control) in subsection...

*Welfare Reform Act 2007 (c. 5)*

- 11 In Part 1 of Schedule 1 to the Welfare Reform...
- Part 4 — CATEGORY A AND C RETIREMENT PENSIONS: ABOLITION OF ADULT DEPENDENCY INCREASES
- 12 In section 30B of the SSCBA (incapacity benefit: rate) in...
  - 13 In section 78 of the SSCBA (Categories C and D...
  - 14 In section 88 of the SSCBA (increases to be in...
  - 15 In section 89 of the SSCBA (meaning of earnings for...
  - 16 In section 114 of the SSCBA (persons maintaining dependants etc.)...
  - 17 In section 149 of the SSCBA (pensioners' entitlement to Christmas...
  - 18 In Part 4 of Schedule 4 to the SSCBA (rates...
- Part 5 — UP-RATING OF BASIC PENSION ETC. AND STANDARD MINIMUM GUARANTEE BY REFERENCE TO EARNINGS

*Social Security Contributions and Benefits Act 1992 (c. 4)*

- 19 In Schedule 5 to the SSCBA (pension increase or lump...
- 20 In each of paragraphs 5A(3)(a), 6(4)(b) and 6A(2)(b) of that...

*Social Security Administration Act 1992 (c. 5)*

- 21 In section 150 of the Administration Act (annual up-rating of...
  - 22 In section 152 of that Act (rectification of mistakes in...
  - 23 In section 155 of that Act (effect of alteration of...
  - 24 In section 155A of that Act (power to anticipate pensions...
  - 25 In section 159 of that Act (effect of alteration in...
  - 26 In section 159A of that Act (effect of alteration of...
  - 27 In section 159B of that Act (effect of alterations affecting...
  - 28 In section 159C of that Act as inserted by the...
  - 29 In section 189 of that Act (regulations and orders general) in...
  - 30 In section 190 of that Act (parliamentary control of orders...
  - 31 In Part 1 of Schedule 7 to that Act (regulations...
  - 32 In Part 2 of that Schedule (regulations not requiring prior...
- Part 6 — DEEMED EARNINGS FACTORS FOR PURPOSES OF ADDITIONAL PENSION

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- 33 In section 22 of the SSCBA (earnings factors) at the...  
 34 (1) Section 44A of the SSCBA (deemed earnings factors) is...  
     Part 7 — ADDITIONAL PENSION: SIMPLIFIED ACCRUAL RATES

*Social Security Contributions and Benefits Act 1992 (c. 4)*

- 35 In section 176 of the SSCBA (parliamentary control)—

*Pension Schemes Act 1993 (c. 48)*

- 36 In section 12B of the Pension Schemes Act 1993 (reference...  
 37 In section 41 of that Act (reduced rates of Class...  
 38 In section 181(1) of that Act (general interpretation) insert at...  
 39 In Schedule 4 to that Act (priority in bankruptcy etc.)...  
     Part 8 — INCREASE IN PENSIONABLE AGE FOR MEN AND WOMEN

*Social Security Contributions and Benefits Act 1992 (c. 4)*

- 40 In section 38 of the SSCBA (widow's pension) in subsection...  
 41 In section 64 of the SSCBA (entitlement to attendance allowance)...  
 42 (1) Section 75 of the SSCBA (disability living allowance: persons...  
 43 In section 149 of the SSCBA (supplementary provisions relating to...

*State Pension Credit Act 2002 (c. 16)*

- 44 In section 3 of the State Pension Credit Act 2002...

SCHEDULE 2 — Additional pension: simplified accrual rates

Part 1 — NEW SCHEDULE 4B TO THE SSCBA

- 1 After Schedule 4A to the SSCBA (additional pension) insert the...  
     Part 2 — REVALUATION OF FLAT RATE ACCRUAL AMOUNT  
 2 After section 148A of the Administration Act insert— Revaluation of...  
     Part 3 — CONSEQUENTIAL AND RELATED AMENDMENTS

*Social Security Contributions and Benefits Act 1992 (c. 4)*

- 3 In section 39 of the SSCBA (rate of widowed mother's...  
 4 (1) Section 39C of the SSCBA (rate of widowed parent's...  
 5 (1) Section 44 of the SSCBA (Category A retirement pension)...  
 6 In section 46 of the SSCBA (modification of section 45...  
 7 In section 48A of the SSCBA (rate of Category B...  
 8 In section 48B of the SSCBA (Category B retirement pension...  
 9 In section 48BB of the SSCBA (Category B retirement pension:...  
 10 In section 48C of the SSCBA (Category B retirement pension:...  
 11 In Schedule 4A to the SSCBA (additional pension) in paragraph...

*Pension Schemes Act 1993 (c. 48)*

- 12 In section 42 of the Pension Schemes Act 1993 (review...

SCHEDULE 3 — Increase in pensionable age for men and women

- 1 In the sidenote to section 126 of the Pensions Act...  
 2 In section 126 of that Act (equalisation of pensionable age)...  
 3 For the heading for Schedule 4 to that Act substitute...  
 4 (1) Paragraph 1 of Part 1 of Schedule 4 to...

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## SCHEDULE 4 — Abolition of contracting-out for defined contribution pension schemes

### Part 1 — AMENDMENTS HAVING EFFECT AS FROM ABOLITION DATE

#### *Pension Schemes Act 1993 (c. 48)*

- 1 The Pension Schemes Act 1993 has effect subject to the...
- 2 (1) Section 7 (issue of contracting-out and appropriate scheme certificates)...
- 3 (1) Section 8 (definitions of certain terms) is amended as...
- 4 (1) Section 9 (general requirements for certification of schemes) is...
- 5 In section 10 (protected rights and money purchase benefits) in...
- 6 Omit section 12 (determination of basis on which scheme is...
- 7 In section 20 (transfer of accrued rights) in subsection (3)...
- 8 For the heading before section 26, substitute “Requirements for schemes...
- 9 Before section 26 (persons who may establish scheme) insert— Requirements...
- 10 After section 27 insert— Requirements in relation to giving effect...
- 11 Omit sections 28 to 29 (ways of giving effect to...
- 12 For section 32A substitute— Discharge of protected rights on winding...
- 13 (1) Section 33 (tax requirements to prevail over certification requirements)...
- 14 (1) Section 33A (appropriate schemes: “blowing the whistle”) is amended...
- 15 (1) Section 34 (cancellation, variation, surrender and refusal of certificates)...
- 16 (1) Section 38 (alteration of rules of appropriate schemes) is...
- 17 In section 42A (reduced rates of Class 1 contributions, and...
- 18 Omit section 42B (determination and alteration of rates of contributions,...
- 19 In section 43 (payment of minimum contributions to personal pension...
- 20 Omit section 44 (earner's chosen scheme).
- 21 In section 45 (amount of minimum contributions) at the end...
- 22 Omit section 45A (determination and alteration of rates of minimum...
- 23 (1) Section 48A (additional pension and other benefits) is amended...
- 24 (1) Section 50 (powers of HMRC to approve arrangements for...
- 25 (1) Section 52 (supervision of schemes which have ceased to...
- 26 In section 55 (payment of state scheme premiums on termination...
- 27 In section 68A (safeguarded rights) in subsection (5) (interpretation) for...
- 28 In section 87 (general protection principle) in subsection (1) (when...
- 29 In section 96 (further provisions concerning exercise of option to...
- 30 (1) Section 156 (information for the purposes of contracting-out) is...
- 31 In section 163 (exemption of certain schemes from rule against...
- 32 In section 164 (Crown employment) for subsection (2) substitute—
- 33 In section 177 (general financial arrangements) in subsection (3) (amounts...
- 34 (1) Section 181 (general interpretation) is amended as follows.
- 35 After section 181 insert— Interpretation of references to money purchase...

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*Pensions Act 1995 (c. 26)*

- 36 (1) Section 149 of the Pensions Act 1995 (hybrid occupational...

*Welfare Reform and Pensions Act 1999 (c. 30)*

- 37 In section 1 of the Welfare Reform and Pensions Act...  
38 In section 2 of that Act (registration of stakeholder pension...  
39 Omit section 7 of that Act (reduced rates of contributions...  
40 In Schedule 5 to that Act (pension credits: mode of...

*Pensions Act 2004 (c. 35)*

- 41 In section 257 of the Pensions Act 2004 (conditions for...  
Part 2 — FURTHER AMENDMENTS

*Social Security Contributions and Benefits Act 1992 (c. 4)*

- 42 (1) Section 4C of the SSCBA (power to make provision...  
43 In section 8 of the SSCBA (calculation of primary Class...  
44 In section 9 of the SSCBA (calculation of secondary Class...  
45 (1) In Schedule 1 to the SSCBA (supplementary provisions relating...

*Pension Schemes Act 1993 (c. 48)*

- 46 The Pension Schemes Act 1993 has effect subject to the...  
47 In section 8 (meaning of, among other things, “minimum payment”)...  
48 In section 20 (transfer of accrued rights) in subsection (3)...  
49 Omit section 31 (investment and resources of scheme).  
50 In section 40 (scope of Chapter 2 of Part 3)...  
51 Omit section 42A (reduced rates of contributions, and rebates, for...  
52 Omit section 43 (payment of minimum contributions to personal pension...  
53 Omit section 45 (amount of minimum contributions).  
54 Omit section 45B (money purchase and personal pension schemes: verification...  
55 In section 50 (powers of HMRC to approve arrangements for...  
56 In section 164 (Crown employment) in subsection (2) (employees of...  
57 (1) Section 177 (general financial arrangements) is amended as follows...  
58 (1) Section 181 (interpretation) is amended as follows.  
59 (1) Schedule 2 (certification regulations) is amended as follows.  
60 (1) Paragraph 2 of Schedule 4 (priority in bankruptcy etc....  
Part 3 — SAVINGS

*Issue and cancellation etc. of certificates for periods before the abolition date*

- 61 Nothing in the relevant amendments and repeals affects the continued...  
62 (1) Nothing in the relevant amendments and repeals affects the...  
63 Nothing in the relevant amendments and repeals affects the continued...  
64 Nothing in the relevant amendments and repeals affects the continued...

*Determination of question whether scheme was appropriate scheme*

- 65 Nothing in the relevant amendments and repeals affects the continued...

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*Preservation of earner's chosen scheme*

66 (1) Nothing in the relevant amendments and repeals—

*Interpretation etc.*

67 (1) In this Part of this Schedule— ... “the PSA...

SCHEDULE 5 — Removal of Secretary of State's role in approving actuarial guidance

*Bankruptcy (Scotland) Act 1985 (c. 66)*

- 1 In section 36C of the Bankruptcy (Scotland) Act 1985 (recovery...
- 2 In section 36F of that Act (recovery orders: supplementary) in...

*Insolvency Act 1986 (c. 45)*

- 3 In section 342C of the Insolvency Act 1986 (recovery of...
- 4 In section 342F of that Act (orders in relation to...

*Pension Schemes Act 1993 (c. 48)*

- 5 In section 12A of the Pension Schemes Act 1993 (statutory...
- 6 In section 113 of that Act (disclosure of information about...

*Pensions Act 1995 (c. 26)*

- 7 In section 67D of the Pensions Act 1995 (actuarial equivalence...
- 8 In section 119 of that Act (regulations may provide for...

*Pensions Act 2004 (c. 35)*

- 9 In section 230 of the Pensions Act 2004 (matters on...

SCHEDULE 6 —

Part 1 — MEMBERS AND EMPLOYEES ETC.

*Members*

- 1 (1) The following are to be the members of the...

*Qualifications for non-executive members*

- 2 (1) Before appointing a person to be the chairman or...

*Tenure of office of non-executive members*

- 3 (1) The chairman and each other non-executive member holds and...

*Remuneration etc. of non-executive members*

- 4 (1) The Authority may— (a) pay to the chairman and...

*Deputy chairman*

- 5 (1) The Secretary of State may appoint a non-executive member...

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*Executive members and employees*

- 6 (1) The following are to be the executive members of...

*Terms and conditions of executive members*

- 7 (1) The first chief executive is to be appointed to...

*Terms and conditions of other employees*

- 8 (1) The employees of the Authority who are not executive...  
Part 2 — PROCEEDINGS ETC.

*Non-executive committee*

- 8A (1) There is to be a committee of the Authority...

*Other committees and advisory committees*

- 9 (1) The Authority may— (a) establish a committee for the...  
10 (1) A committee of the Authority may establish a sub-committee....

*Proceedings of the Authority, committees and sub-committees*

- 11 (1) The Authority may, subject to this Schedule—  
12 The Authority must make arrangements for the keeping of proper...

*Disqualification for acting in relation to certain matters*

- 13 (1) This paragraph applies if at any meeting of—

*Delegation*

- 14 The Authority may delegate any function conferred on it to—...

*Validity of proceedings*

- 15 (1) The validity of proceedings of the Authority, the chairman...

*Authentication of the Authority's seal*

- 16 (1) The application of the Authority's seal must be authenticated...

*Annual report*

- 17 (1) As soon as is reasonably practicable after the end...  
Part 3 — MONEY

*Finance*

- 18 (1) The Secretary of State may, with the consent of...

*Accounts*

- 19 (1) The Authority must— (a) keep proper accounting records, and...  
Part 4 — SUPPLEMENTARY

*Disqualification*

- 20 In Part 2 of Schedule 1 to the House of...



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21 In Part 2 of Schedule 1 to the Northern Ireland...

*Records and freedom of information*

22 In Schedule 1 to the Public Records Act 1958 (c....

23 In Part 6 of Schedule 1 to the Freedom of...

*Interpretation*

24 (1) In this Schedule— “financial year” means— the period beginning...

SCHEDULE 7 — Repeals and revocations

Part 1 — CATEGORY B RETIREMENT PENSION: REMOVAL OF RESTRICTION ON ENTITLEMENT

Part 2 — CATEGORY A AND C RETIREMENT PENSIONS: ABOLITION OF ADULT DEPENDENCY INCREASES

Part 3 — UP-RATING

Part 4 — REMOVAL OF LINK BETWEEN LOWER EARNINGS LIMIT AND BASIC PENSION

Part 5 — ADDITIONAL PENSION: SIMPLIFIED ACCRUAL RATES

Part 6 — ABOLITION OF CONTRACTING-OUT FOR DEFINED CONTRIBUTION PENSION SCHEMES: REPEALS AND REVOCATIONS HAVING EFFECT ON ABOLITION DATE

Part 7 — ABOLITION OF CONTRACTING-OUT FOR DEFINED CONTRIBUTION PENSION SCHEMES: FURTHER REPEALS

Part 8 — REMOVAL OF SECRETARY OF STATE'S ROLE IN APPROVING ACTUARIAL GUIDANCE

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**Changes and effects yet to be applied to :**

- Sch. 1 para. 25 repealed by [2009 c. 24 Sch. 7 Pt. 1](#)
- Sch. 1 para. 14 repealed by [2009 c. 24 Sch. 7 Pt. 2](#)
- Sch. 1 para. 15 repealed by [2009 c. 24 Sch. 7 Pt. 2](#)
- Sch. 1 para. 25 repealed by [2012 c. 5 Sch. 14 Pt. 1](#)
- Sch. 1 para. 42 repealed by [2012 c. 5 Sch. 14 Pt. 9](#)