Draft Regulations laid before Parliament under section 143(4) and (5)(a) of the Pensions Act 2008, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2014 No.

PENSIONS

The Occupational and Personal Pension Schemes (Automatic Enrolment) (Amendment) Regulations 2014

Made - - - - ***

Coming into force - - *1st April 2014*

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 16(3)(c), 28(2)(b), 99 and 144(4) of the Pensions Act 2008(**1**).

In accordance with section 143(4) and (5)(a) of the Pensions Act 2008, a draft of these Regulations was laid before Parliament and approved by a resolution of each House of Parliament.

Citation and commencement

1. These Regulations may be cited as the Occupational and Personal Pension Schemes (Automatic Enrolment) (Amendment) Regulations 2014 and come into force on 1st April 2014.

Amendment of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010

2.—(1) The Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010(**2**) are amended as follows.

(2) In regulation 32I(1) (contributions under alternative requirements during transitional periods) omit ", but not for the purposes of regulation 32G,".

(3) In regulation 36 (certain schemes providing average salary benefits excluded from being qualifying schemes)—

(a) in paragraph (1) for "paragraph (3)" substitute "paragraphs (2A) and (3)";

(b) after paragraph (2) insert—

(**1**) 2008 c.30. Section 16 was amended by section 10 of the Pensions Act 2011 (c.19). Section 28 was amended by sections 12 and 13 of that Act. Section 99 is cited for the meaning it gives to "prescribed" and "regulations".

(**2**) S.I. 2010/772. Regulation 32I was inserted by regulation 4 of S.I. 2012/1257. Regulation 36 was amended by regulation 6 of S.I. 2012/1257 and regulation 2 of S.I. 2012/2691.

"(2A) Paragraph (1) does not apply to a scheme with the feature specified in paragraph (2)(b) if—

(a) the funding of the scheme is based on the assumption that accrued benefits would be revalued at or above the minimum rate; and

(b) such funding is provided for in the scheme's statement of funding principles under section 223 of the Pensions Act 2004(**3**) (statement of funding principles) or, if the scheme is not required to have such a statement, in an equivalent statement of the scheme's funding plan."; and

(c) for paragraphs (4) and (5) substitute—

"(4) For the purposes of this regulation, the minimum rate on a revaluation of accrued benefits is either—

(a) where a scheme is a scheme established under section 1 of the 2013 Act (schemes for persons in public service) or is a new public body pension scheme as defined in section 30(5) of the 2013 Act (new public body pension schemes), an annual increase or decrease by the relevant percentage for the year by reference to which the revaluation is made; or

(b) in any other case, an annual increase by whichever is the lesser or the least of—

(i) the percentage increase in the retail prices index for the year by reference to which the revaluation is made;

(ii) the percentage increase in the general level of prices for the year by reference to which the revaluation is made; and

(iii) 2.5%.

(5) In this regulation—

"the 2013 Act" means the Public Service Pensions Act 2013(**4**);

"general level of prices" means the general level of prices in Great Britain determined in such manner as the Secretary of State thinks fit;

"relevant percentage" means—

(a) where the scheme requires revaluation of accrued benefits by reference to a change in prices, the percentage change in prices specified in a Treasury order under section 9(2) of the 2013 Act (revaluation); or

(b) where the scheme requires revaluation of accrued benefits by reference to a change in earnings, the percentage change in earnings specified in a Treasury order under section 9(2) of the 2013 Act;

"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;

"Treasury order" has the meaning given in section 37 of the 2013 Act (general interpretation).".

(**3**) 2004 c.35.
(**4**) 2013 c.25.