
STATUTORY INSTRUMENTS

1998 No. 406

PENSIONS

The Guaranteed Minimum Pensions Increase Order 1998

Made

25th February 1998

Coming into force

6th April 1998

Whereas the Secretary of State has reviewed the general level of prices obtaining in Great Britain for the period of 12 months commencing on 1st October 1996;

And whereas it appears to her that the general level of prices was greater by 3.6 per cent. at the end of that period than it was at the beginning of that period;

And whereas a draft of the following Order was laid before Parliament and approved by a resolution of each House;

Now, therefore, the Secretary of State for Social Security, in exercise of the power conferred by section 109(4) of the Pension Schemes Act 1993[1] hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Guaranteed Minimum Pensions Increase Order 1998 and shall come into force on 6th April 1998.

Increase of guaranteed minimum pensions

2. For the purposes of section 109(2) and (3) of the Pension Schemes Act 1993[2] the percentage by which there is to be an increase in the rate of that part of any guaranteed minimum pension which is attributable to earnings factors for the tax years in the relevant period[3] shall be 3 per cent.

Signed by authority of the Secretary of State for Social Security.

Frank Field
Minister of State,
Department of Social Security

25th February 1998

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, a draft of which has been laid before and approved by a resolution of each House of Parliament, is made as a consequence of a review under section 109(1) of the Pension Schemes Act 1993. It specifies 3 per cent. as the percentage by which that part of any guaranteed minimum pension attributable to earnings factors for the tax years 1988-89 to 1996-97 and payable by occupational pension schemes is to be increased. Under section 109(3) the percentage to be specified is the actual percentage increase in the general level of prices in the period under review or 3 per cent., whichever is less.

This Order does not impose any costs on business.

Notes:

[1] 1993 c. 48.

[2] Section 109(2) was amended by section 55(a) of the Pensions Act 1995 (c.26).

[3] *See* section 109(3A) of the Pension Schemes Act 1993 as inserted by section 55(b) of the Pensions Act 1995.