Draft Order laid before Parliament under section 109(2) of the Pension Schemes Act 1993 for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2026 No.

PENSIONS

The Guaranteed Minimum Pensions Increase Order 2026

Made - - - -	***
Coming into force - -	*6th April 2026*

The Secretary of State makes this Order in exercise of the power conferred by section 109(4) of the Pension Schemes Act 1993(**a**).

In accordance with section 109(1) of that Act, the Secretary of State has reviewed the general level of prices in Great Britain for the period of 12 months commencing on 1st October 2024 and it appears to the Secretary of State that the general level of prices was greater by 3.8 per cent. at the end of that period than it was at the beginning of that period.

In accordance with section 109(2) of that Act(**b**), a draft of this Order has been laid before and approved by a resolution of each House of Parliament.

Citation, commencement and extent

1.—(1) This Order may be cited as the Guaranteed Minimum Pensions Increase Order 2026 and comes into force on 6th April 2026.

(2) This Order extends to England and Wales and Scotland.

Increase of guaranteed minimum pensions

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

(**a**) 1993 c. 48.
(**b**) Section 109(2) was amended by section 55(a) of the Pensions Act 1995 (c. 26) and S.I. 2005/2050.
(**c**) For the meaning of "relevant period", *see* section 109(3A) of the Pension Schemes Act 1993 which was inserted by section 55(b) of the Pensions Act 1995 and amended by paragraph 40 of Schedule 13 to the Pensions Act 2014 (c. 19).

Signed by authority of the Secretary of State for Work and Pensions

[Name]
Parliamentary Under Secretary of State
Department for Work and Pensions

[Date]

EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes provision for the annual increase of the part of guaranteed minimum pensions attributable to earnings factors for the tax years 1988–89 to 1996–97. Guaranteed minimum pensions are payable by defined benefit occupational pension schemes that were contracted out of the Additional State Pension between 6 April 1978 and 5 April 1997. This Order specifies the percentage for the annual increase as 3 per cent.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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