STATUTORY INSTRUMENTS

1976 No. 1217

PENSIONS

The State Scheme Premiums (Actuarial Tables) Regulations 1976

Laid before Parliament in draft

Made - - - -	30*th July* 1976
Coming into Operation	6*th April* 1978

Whereas a draft of the following regulations was laid before Parliament and approved by a resolution of each House of Parliament:

Now, therefore, the Secretary of State for Social Services, in exercise of the powers conferred upon him by sections 44(7), 45(4) and 46(2) of the Social Security Pensions Act 1975(**a**) and all other powers enabling him in that behalf, and after consultation with the Government Actuary as required by section 46(1) of the said Act, hereby makes the following regulations:—

Citation, commencement and interpretation

1.—(1) These regulations may be cited as the State Scheme Premiums (Actuarial Tables) Regulations 1976, and shall come into operation on 6th April 1978.

(2) In these regulations, unless the context otherwise requires—

"the Act" means the Social Security Pensions Act 1975 and references to sections are references to sections of that Act;

"the Premium Regulations" means the Contracted-out Employment (Notifications, Premium Payment and Miscellaneous Provisions) Regulations 1976(**b**);

"accrued rights factor" means—

(*a*) in the case of an accrued rights premium or a limited revaluation premium, the weekly amount of the guaranteed minimum pension to which the earner in question had accrued rights under the scheme in question when the event giving rise to the liability for the premium occurred (including any increase effected by an order made under section 21 during the tax year in which that event occurred or (as the case may be) any increase made for that year under a provision included in the scheme by virtue of section 35(7)), multiplied by 52; and

(*b*) in the case of a pensioner's rights premium, the weekly amount of the guaranteed minimum pension which the person in question

(**a**) 1975 c. 60.

(**b**) S.I. 1976/143 (1976 I, p. 411).

was entitled to receive under the scheme in question when the event giving rise to the liability for the premium occurred, multiplied by 52,

so however that in any case where, in the absence of an election made in the prescribed manner by the person liable for the premium, the cost of providing or continuing to provide any guaranteed minimum pension falls by virtue of section 44(6) or section 45(3) to be calculated on the basis that (disregarding any orders made under section 21) the relevant earnings factors have been increased by 12 per cent. in each of the 5 tax years specified in one of those sections, the weekly amount of the guaranteed minimum pension shall for this purpose be taken to be what it would have been on that basis;

"event giving rise to the liability for the premium" means—

(*a*) in a case where the scheme has not ceased to be contracted-out but the service in contracted-out employment of the person in respect of whom the premium falls to be paid has been terminated, that termination;

(*b*) in a case where the scheme in question has ceased to be contracted-out and the Occupational Pensions Board, pursuant to section 44(1), have approved arrangements for the preservation or transfer of the accrued rights to guaranteed minimum pensions of, or the liability for the payment of guaranteed minimum pensions to, the person in respect of whom the premium falls to be paid, the withdrawal of that approval; and

(*c*) in any other case, the scheme's ceasing to be contracted-out;

"gross dividend yield" means the gross dividend yield applicable to the All-Share Index compiled by the Financial Times, The Institute of Actuaries and the Faculty of Actuaries;

"index number" means the index number applicable to 20-year Government Stocks compiled by the Financial Times, The Institute of Actuaries and the Faculty of Actuaries;

"market level indicator" means—

(*a*) for the purpose of determining the amount of an accrued rights premium or a limited revaluation premium, the sum of—

(i) 260 divided by x, where x per cent. is the gross dividend yield, and

(ii) the index number multiplied by 0·478; and

(*b*) for the purpose of determining the amount of a pensioner's rights premium, the index number multiplied by 1·37,

the result of the calculation in either case being rounded, where it is not a whole number, to the nearest whole number, or, where 2 consecutive whole numbers are equally near, to the lower of them;

"scheme" means occupational pension scheme;

and other expressions have the same meanings as in the Act.

(3) Any reference in these regulations to any provision made by or contained in any enactment or instrument shall, except in so far as the context otherwise requires, be construed as a reference to that provision as amended or extended by any enactment or instrument and as including a reference to any provision which it re-enacts or replaces, or which may re-enact or replace it, with or without modification.

(4) The rules for the construction of Acts of Parliament contained in the Interpretation Act 1889(a) shall apply for the purposes of the interpretation of these regulations as they apply for the purposes of the interpretation of an Act of Parliament.

Prescribed classes of investments

2. For the purposes of section 46(2), the prescribed classes of investments are those fixed-interest stocks by reference to which the index number is calculated, and, for the purpose of calculating accrued rights premiums and limited revaluation premiums only, those equities by reference to which the gross dividend yield is calculated.

Accrued rights premiums

3.—(1) Subject to regulation 6 below, for the purpose of calculating the amount of an accrued rights premium, the Secretary of State shall apply the standard actuarial table in Schedule 1 hereto or the standard actuarial table in Schedule 2 hereto, in accordance with the provisions of this regulation.

(2) In a case where the weekly rate of the guaranteed minimum pensions to which the earner in question has accrued rights under the scheme in question does not fall to be determined in accordance with provisions included in the scheme by virtue of section 35 (7) (revaluation without reference to orders under section 21), the Secretary of State shall apply the standard actuarial table in Schedule 1 hereto.

(3) In a case where the weekly rate of the guaranteed minimum pensions to which the earner in question has accrued rights under the scheme in question falls to be determined wholly or partly in accordance with provisions included in the scheme by virtue of section 35(7) and the scheme's provisions conform with the additional requirement of regulation 7 of the Premium Regulations (revaluation by at least $8\frac{1}{2}$ per cent. compound) the Secretary of State shall apply the standard actuarial table in Schedule 1 hereto.

(4) In any other case the Secretary of State shall apply the standard actuarial table in Schedule 2 hereto.

Limited revaluation premiums

4. Subject to regulation 6 below, for the purpose of calculating the amount of a limited revaluation premium, the Secretary of State shall apply the standard actuarial table in Schedule 3 hereto.

Pensioner's rights premiums

5.—(1) Subject to regulation 6 below, for the purpose of calculating the amount of a pensioner's rights premium, the Secretary of State shall apply the standard actuarial table in Schedule 4 hereto or the standard actuarial table in Schedule 5 hereto, in accordance with the provisions of this regulation.

(2) In a case where the person in question is entitled to receive a guaranteed minimum pension in respect of his own service in contracted-out employment, the Secretary of State shall apply the standard table in Schedule 4 hereto.

(3) In a case where the person in question is a woman who is entitled to receive a guaranteed minimum pension in respect of her late husband's service in contracted-out employment, the Secretary of State shall apply the standard table in Schedule 5 hereto.

(a) 1889 c. 63.

Use of alternative, instead of standard, actuarial tables

6. Where the average market level indicator derived from the index numbers and (where appropriate) the gross dividend yields appropriate to the first 5 days on which the London Stock Exchange was open in the month in which the event giving rise to the liability for the premium occurred, and rounded, where it is not a whole number, to the nearest whole number, is not 100, the Secretary of State shall not apply any of the standard actuarial tables referred to in regulations 3 to 5 above, but shall apply for the purposes of regulations 3(2) or (3), 3(4), 4, 5(2) and 5(3) above the alternative actuarial tables in Schedules 1, 2, 3, 4 and 5 hereto respectively.

References to age in the Schedules

7. In all the Schedules hereto, the premium payable is that shown in the appropriate column opposite the age of the person in respect of whom it is payable; and "age" means the age attained by that person in the tax year in which the event giving rise to the liability for the premium occurred.

David Ennals,

Secretary of State for Social Services.

30th July 1976.

Regulation 3(2) and (3) SCHEDULE 1

Standard table for use in cases to which regulation 3(2) or (3) applies: amount of accrued rights premium for £100 of accrued rights factor, where the market level indicator is 100.

Age	Males	Females	Age	Males	Females
	£	£		£	£
16	556·00	679·00	40	612·00	752·00
17	558·00	682·00	41	615·00	755·00
18	560·00	685·00	42	618·00	759·00
19	563·00	688·00	43	620·00	763·00
			44	623·00	767·00
20	565·00	691·00	45	627·00	771·00
21	567·00	694·00	46	630·00	775·00
22	569·00	697·00	47	633·00	780·00
23	571·00	700·00	48	636·00	784·00
24	573·00	702·00	49	640·00	789·00
25	576·00	705·00	50	645·00	795·00
26	578·00	708·00	51	649·00	801·00
27	580·00	711·00	52	653·00	806·00
28	582·00	713·00	53	658·00	812·00
29	585·00	716·00	54	663·00	819·00
30	588·00	719·00	55	668·00	826·00
31	590·00	722·00	56	674·00	833·00
32	593·00	725·00	57	680·00	841·00
33	595·00	728·00	58	687·00	850·00
34	597·00	731·00	59	695·00	859·00
35	600·00	734·00	60	703·00	941·00
36	602·00	737·00	61	712·00	—
37	605·00	741·00	62	722·00	—
38	607·00	745·00	63	734·00	—
39	610·00	748·00	64	747·00	—
			65	826·00	—

SCHEDULE 1 (continued)

Alternative table for use in cases to which regulation 3(2) or (3) applies: amount which, when multiplied by the market level indicator, gives the amount of accrued rights premium for £100 of accrued rights factor.

Age	Males	Females	Age	Males	Females
	£	£		£	£
16	5·56	6·79	40	6·12	7·52
17	5·58	6·82	41	6·15	7·55
18	5·60	6·85	42	6·18	7·59
19	5·63	6·88	43	6·20	7·63
			44	6·23	7·67
20	5·65	6·91	45	6·27	7·71
21	5·67	6·94	46	6·30	7·75
22	5·69	6·97	47	6·33	7·80
23	5·71	7·00	48	6·36	7·84
24	5·73	7·02	49	6·40	7·89
25	5·76	7·05	50	6·45	7·95
26	5·78	7·08	51	6·49	8·01
27	5·80	7·11	52	6·53	8·06
28	5·82	7·13	53	6·58	8·12
29	5·85	7·16	54	6·63	8·19
30	5·88	7·19	55	6·68	8·26
31	5·90	7·22	56	6·74	8·33
32	5·93	7·25	57	6·80	8·41
33	5·95	7·28	58	6·87	8·50
34	5·97	7·31	59	6·95	8·59
35	6·00	7·34	60	7·03	9·41
36	6·02	7·37	61	7·12	—
37	6·05	7·41	62	7·22	—
38	6·07	7·45	63	7·34	—
39	6·10	7·48	64	7·47	—
					—
			65	8·26	

Regulation 3(4)

SCHEDULE 2

Standard table for use in cases to which regulation 3(4) applies: amount of accrued rights premium for £100 of accrued rights factor, where the market level indicator is 100.

Age	Males	Females	Age	Males	Females
	£	£		£	£
16	129·00	176·00	40	296·00	413·00
17	133·00	183·00	41	306·00	428·00
18	138·00	190·00	42	317·00	444·00
19	143·00	197·00	43	327·00	460·00
			44	339·00	477·00
20	148·00	205·00	45	352·00	495·00
21	154·00	212·00	46	365·00	513·00
22	159·00	220·00	47	378·00	533·00
23	164·00	228·00	48	392·00	553·00
24	170·00	235·00	49	406·00	575·00
25	176·00	243·00	50	422·00	598·00
26	182·00	252·00	51	438·00	622·00
27	188·00	261·00	52	454·00	646·00
28	195·00	270·00	53	471·00	672·00
29	202·00	279·00	54	489·00	699·00
30	210·00	289·00	55	507·00	727·00
31	217·00	299·00	56	527·00	757·00
32	225·00	310·00	57	548·00	789·00
33	232·00	321·00	58	571·00	823·00
34	240·00	333·00	59	596·00	859·00
35	249·00	345·00	60	621·00	941·00
36	257·00	357·00	61	649·00	—
37	267·00	370·00	62	678·00	—
38	276·00	384·00	63	711·00	—
39	286·00	398·00	64	747·00	—
			65	826·00	—

SCHEDULE 2 (continued)

Alternative table for use in cases to which regulation 3(4) applies: amount which, when multiplied by the market level indicator, gives the amount of accrued rights premium for £100 of accrued rights factor.

Age	Males	Females	Age	Males	Females
	£	£		£	£
16	1·29	1·76	40	2·96	4·13
17	1·33	1·83	41	3·06	4·28
18	1·38	1·90	42	3·17	4·44
19	1·43	1·97	43	3·27	4·60
			44	3·39	4·77
20	1·48	2·05	45	3·52	4·95
21	1·54	2·12	46	3·65	5·13
22	1·59	2·20	47	3·78	5·33
23	1·64	2·28	48	3·92	5·53
24	1·70	2·35	49	4·06	5·75
25	1·76	2·43	50	4·22	5·98
26	1·82	2·52	51	4·38	6·22
27	1·88	2·61	52	4·54	6·46
28	1·95	2·70	53	4·71	6·72
29	2·02	2·79	54	4·89	6·99
30	2·10	2·89	55	5·07	7·27
31	2·17	2·99	56	5·27	7·57
32	2·25	3·10	57	5·48	7·89
33	2·32	3·21	58	5·71	8·23
34	2·40	3·33	59	5·96	8·59
35	2·49	3·45	60	6·21	9·41
36	2·57	3·57	61	6·49	—
37	2·67	3·70	62	6·78	—
38	2·76	3·84	63	7·11	—
39	2·86	3·98	64	7·47	—
			65	8·26	—

Regulation 4

SCHEDULE 3

Standard table: amount of limited revaluation premium for £100 of accrued rights factor, where the market level indicator is 100.

Age	Males	Females	Age	Males	Females
	£	£		£	£
16	427·00	503·00	40	316·00	339·00
17	425·00	499·00	41	309·00	327·00
18	422·00	495·00	42	301·00	315·00
19	420·00	491·00	43	293·00	303·00
			44	284·00	290·00
20	417·00	486·00	45	275·00	276·00
21	413·00	482·00	46	265·00	262·00
22	410·00	477·00	47	255·00	247·00
23	407·00	472·00	48	244·00	231·00
24	403·00	467·00	49	234·00	214·00
25	400·00	462·00	50	223·00	197·00
26	396·00	456·00	51	211·00	179·00
27	392·00	450·00	52	199·00	160·00
28	387·00	443·00	53	187·00	140·00
29	383·00	437·00	54	174·00	120·00
30	378·00	430·00	55	161·00	99·00
31	373·00	423·00	56	147·00	76·00
32	368·00	415·00	57	132·00	52·00
33	363·00	407·00	58	116·00	27·00
34	357·00	398·00	59	99·00	—
35	351·00	389·00	60	82·00	—
36	345·00	380·00	61	63·00	—
37	338·00	371·00	62	44·00	—
38	331·00	361·00	63	23·00	—
39	324·00	350·00			

SCHEDULE 3 (continued)

Alternative table: amount which, when multiplied by the market level indicator, gives the amount of limited revaluation premium for £100 of accrued rights factor.

Age	Males	Females	Age	Males	Females
	£	£		£	£
16	4·27	5·03	40	3·16	3·39
17	4·25	4·99	41	3·09	3·27
18	4·22	4·95	42	3·01	3·15
19	4·20	4·91	43	2·93	3·03
			44	2·84	2·90
20	4·17	4·86	45	2·75	2·76
21	4·13	4·82	46	2·65	2·62
22	4·10	4·77	47	2·55	2·47
23	4·07	4·72	48	2·44	2·31
24	4·03	4·67	49	2·34	2·14
25	4·00	4·62	50	2·23	1·97
26	3·96	4·56	51	2·11	1·79
27	3·92	4·50	52	1·99	1·60
28	3·87	4·43	53	1·87	1·40
29	3·83	4·37	54	1·74	1·20
30	3·78	4·30	55	1·61	0·99
31	3·73	4·23	56	1·47	0·76
32	3·68	4·15	57	1·32	0·52
33	3·63	4·07	58	1·16	0·27
34	3·57	3·98	59	0·99	—
35	3·51	3·89	60	0·82	—
36	3·45	3·80	61	0·63	—
37	3·38	3·71	62	0·44	—
38	3·31	3·61	63	0·23	—
39	3·24	3·50			

Regulation 5

SCHEDULE 4

Standard table in respect of a person entitled to receive a guaranteed minimum pension in respect of his own service in contracted-out employment: amount of pensioner's rights premium for £100 of accrued rights factor, where the market level indicator is 100.

Males		Females	
Age	Premium	Age	Premium
	£		£
65	826·00	60	941·00
66	809·00	61	928·00
67	790·00	62	913·00
68	770·00	63	898·00
69	750·00	64	881·00
70	730·00	65	864·00
71	710·00	66	847·00
72	689·00	67	828·00
73	666·00	68	809·00
74	644·00	69	788·00

SCHEDULE 4 (continued)

Alternative table in respect of a person entitled to receive a guaranteed minimum pension in respect of his own service in contracted-out employment: amount which, when multiplied by the market level indicator, gives the amount of pensioner's rights premium for £100 of accrued rights factor.

Males		Females	
Age	Premium	Age	Premium
	£		£
65	8·26	60	9·41
66	8·09	61	9·28
67	7·90	62	9·13
68	7·70	63	8·98
69	7·50	64	8·81
70	7·30	65	8·64
71	7·10	66	8·47
72	6·89	67	8·28
73	6·66	68	8·09
74	6·44	69	7·88

Regulation 5

SCHEDULE 5

Standard table in respect of a woman entitled to receive a guaranteed minimum pension in respect of her late husband's service in contracted-out employment: amount of pensioner's rights premium for £100 of accrued rights factor, where the market level indicator is 100.

Age	Premium	Age	Premium
	£		£
25 and below	478·00	60	901·00
26	505·00	61	889·00
27	535·00	62	876·00
28	566·00	63	862·00
29	599·00	64	846·00
30	631·00	65	830·00
31	661·00	66	813·00
32	691·00	67	796·00
33	719·00	68	777·00
34	745·00	69	758·00
35	770·00	70	738·00
36	791·00	71	717·00
37	809·00	72	696·00
38	826·00	73	673·00
39	841·00	74	651·00
40	855·00	75	627·00
41	867·00	76	602·00
42	879·00	77	577·00
43	889·00	78	552·00
44	898·00	79	526·00
45	906·00	80	501·00
46	915·00	81	477·00
47	922·00	82	453·00
48	929·00	83	430·00
49	935·00	84	407·00
50	939·00	85	384·00
51	942·00	86	361·00
52	943·00	87	338·00
53	943·00	88	316·00
54	942·00	89	295·00
55	939·00	90	275·00
56	934·00	91	258·00
57	928·00	92	243·00
58	920·00	93	228·00
59	911·00	94	214·00
		95 and over	200·00

SCHEDULE 5 (continued)

Alternative table in respect of a woman entitled to receive a guaranteed minimum pension in respect of her late husband's service in contracted-out employment: amount which, when multiplied by the market level indicator, gives the amount of pensioner's rights premium for £100 of accrued rights factor.

Age	Premium	Age	Premium
	£		£
25 and below	4·78	60	9·01
26	5·05	61	8·89
27	5·35	62	8·76
28	5·66	63	8·62
29	5·99	64	8·46
30	6·31	65	8·30
31	6·61	66	8·13
32	6·91	67	7·96
33	7·19	68	7·77
34	7·45	69	7·58
35	7·70	70	7·38
36	7·91	71	7·17
37	8·09	72	6·96
38	8·26	73	6·73
39	8·41	74	6·51
40	8·55	75	6·27
41	8·67	76	6·02
42	8·79	77	5·77
43	8·89	78	5·52
44	8·98	79	5·26
45	9·06	80	5·01
46	9·15	81	4·77
47	9·22	82	4·53
48	9·29	83	4·30
49	9·35	84	4·07
50	9·39	85	3·84
51	9·42	86	3·61
52	9·43	87	3·38
53	9·43	88	3·16
54	9·42	89	2·95
55	9·39	90	2·75
56	9·34	91	2·58
57	9·28	92	2·43
58	9·20	93	2·28
59	9·11	94	2·14
		95 and over	2·00

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations prescribe the tables in accordance with which the Secretary of State is required, under sections 44(5) and 45(2) of the Social Security Pensions Act 1975, to calculate the cost of providing or continuing to provide guaranteed minimum pensions, and the difference between the cost of providing guaranteed minimum pensions in accordance with provisions included in a scheme by virtue of section 35(7) of that Act (limited revaluation) and what would have been the cost of providing them in the absence of such provisions, for the purpose of determining the amount of accrued rights premiums, pensioner's rights premiums and limited revaluation premiums.

In accordance with section 46(2) of the Act, the tables include both standard and alternative tables which are to be applied according to the current yield on investments, determined by reference to the "market level indicator". This is a point on a scale extending either side of 100 (100 being the point at which the standard table is appropriate). For accrued rights premiums and limited revaluation premiums, the scale represents a mixture of equities and fixed interest investment in the ratio of 65 of the former to 35 of the latter. The standard table represents in the case of equities a gross dividend yield of 4% (260 divided by the percentage yield gives 65 on a yield of 4%) and in the case of fixed interest investment an index number of 73·2 corresponding to a yield of 9% (0·478 times 73·2 gives approximately 35). For the purposes of pensioner's rights premiums the scale is based on fixed interest investment only; and the standard table of 100 is related to the index number of 73·2 only (1.37 times 73.2 gives approximately 100). In this context "gross dividend yield" means the gross dividend yield applicable to the All-Share Index compiled by the Financial Times, The Institute of Actuaries and the Faculty of Actuaries, and "index number" means the index number applicable to 20-year Government Stocks compiled by the Financial Times, The Institute of Actuaries and the Faculty of Actuaries.

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