

These notes refer to the Pensions (No. 2) Act (Northern Ireland) 2008 (c.13) which received Royal Assent on 15 December 2008

Pensions (No. 2) Act (Northern Ireland) 2008

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

PART 5 - Miscellaneous

Section 110: Official pensions: adjustment of increases in survivors' pensions

Article 69 of the Social Security Pensions (Northern Ireland) Order 1975 deals with the index-linking of public service pensions. Paragraph (5ZA) was inserted in 1990 to prevent an element of “double indexation” arising in relation to the guaranteed minimum pension payable to survivors of members of public service pension schemes. Double indexation of the guaranteed minimum pension might occur if it is increased by both legislation relating to public service pension schemes and by legislation which provides for index-linking of State Pensions.

A guaranteed minimum pension arises where a pension scheme member was contracted out of the additional State Pension for service between tax years 1978/79 and 1996/97. When a public service pension scheme member dies, a member's widow is entitled to half of a member's guaranteed minimum pension accrued since 1978/79, and the member's widower is entitled to half of the member's guaranteed minimum pension accrued since 1988/89.

Article 69(5ZA) fails to take account of the difference in guaranteed minimum pension entitlement between widows and widowers and it does not cover civil partners.

This section amends Article 69(5ZA) so that it reflects the different guaranteed minimum pension entitlements of widowers when compared to widows. It also extends the operation of Article 69(5ZA) so that it will apply to future payments of pensions to surviving civil partners.