

1987 No. 70

PENSIONS

Pensions Increase (Review) Order (Northern Ireland) 1987

Made 19th February 1987

Coming into operation 6th April 1987

Whereas by virtue of Article 64 of the Social Security (Northern Ireland) Order 1986(a) a direction(b) has been given by the Department of Health and Social Services that the sums which are the additional components in the rate of long-term benefits are to be increased by a specified percentage;

Now, therefore, the Department of Finance and Personnel, in exercise of the powers conferred by Article 69(1), (2) and (5) of the Social Security Pensions (Northern Ireland) Order 1975(c) (which has effect as if it were contained in Part 1 of the Pensions (Increase) Act (Northern Ireland) 1971(d)) and now vested in it(e) and of every other power enabling it in that behalf, hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Pensions Increase (Review) Order (Northern Ireland) 1987 and shall come into operation on 6th April 1987.

Interpretation

2.—(1) In this Order—

“the Act of 1971” means the Pensions (Increase) Act (Northern Ireland) 1971;

“basic rate” has the meaning given by section 15(1) of the Act of 1971;

“existing Orders” means — the Pensions Increase (Annual Review) Order (Northern Ireland) 1972(f), the Pensions Increase (Annual Review) Order (Northern Ireland) 1973(g), the Pensions Increase (Annual Review) Order (Northern Ireland) 1974(h), the Pensions

(a) S.I. 1986/1888 (N.I. 18)

(b) Contained in S.R. 1987 No. 22 Art. 3(3)

(c) Art. 69 of S.I. 1975/1503 (N.I. 15) amended the Pensions (Increase) Act (Northern Ireland) 1971 (1971 c. 35 (N.I.)). Art. 69(5) was modified in its effect by Art. 69A (inserted by Art. 10(3) of the Social Security (Northern Ireland) Order 1979 (S.I. 1979/396 (N.I. 5)). Art. 69 was further amended by S.I. 1979/396 (N.I. 5) Arts. 10(2), 16 and Sch. 3 and S.I. 1985/1209 (N.I. 16) Art. 25(2) and Sch. 6 and S.I. 1986/1888 (N.I. 18) Art. 83(1) and Sch. 9 para. 58

(d) 1971 c. 35 (N.I.)

(e) By S.R. 1976 No. 281 Art. 3 and Sch. 1 and S.I. 1982/338 (N.I. 6) Art. 4

(f) S.R. & O. (N.I.) 1972 No. 263

(g) S.R. & O. (N.I.) 1973 No. 364

(h) S.R. 1974 No. 296

Increase (Annual Review) Order (Northern Ireland) 1975(a), the Pensions Increase (Annual Review) Order (Northern Ireland) 1976(b), the Pensions Increase (Annual Review) Order (Northern Ireland) 1977(c), the Pensions Increase (Annual Review) Order (Northern Ireland) 1978(d), the Pensions Increase (Review) Order (Northern Ireland) 1979(e), the Pensions Increase (Review) Order (Northern Ireland) 1980(f), the Pensions Increase (Review) Order (Northern Ireland) 1981(g), the Pensions Increase (Review) Order (Northern Ireland) 1982(h), the Pensions Increase (Review) Order (Northern Ireland) 1983(i), the Pensions Increase (Review) Order (Northern Ireland) 1984(j), the Pensions Increase (Review) Order (Northern Ireland) 1985(k), and the Pensions Increase (Review) Order (Northern Ireland) 1986(l);

“official pension” has the meaning given by section 5(1) of the Act of 1971;

“the Order of 1975” means the Social Security Pensions (Northern Ireland) Order 1975;

“pension authority” has the meaning given by section 7(1) of the Act of 1971;

“qualifying condition” means one of the conditions laid down in section 3(m) of the Act of 1971;

“widow’s pension” has the meaning given by section 15(1)(n) of the Act of 1971.

(2) For the purpose of this Order the time when a pension “begins” is that stated in section 8(2) of the Act of 1971.

(3) Where, for the purposes of this Order, it is necessary to calculate the number of complete months in any period an incomplete month shall be treated as a complete month if it consists of at least 16 days.

Increases in certain pensions

3.—(1) The annual rate of an official pension may, if a qualifying condition is satisfied or the pension is a widow’s pension, be increased as set out in paragraphs (2) and (3) by the pension authority in respect of any period beginning on or after 6th April 1987.

(2) A pension beginning before 28th July 1986 may be increased by 2·10 per cent of the basic rate as increased by the amount of any increase under section 1 of the Act of 1971 or the existing Orders.

(a) S.R. 1975 No. 269

(b) S.R. 1976 No. 276

(c) S.R. 1977 No. 277

(d) S.R. 1978 No. 269

(e) S.R. 1979 No. 338

(f) S.R. 1980 No. 364

(g) S.R. 1981 No. 307

(h) S.R. 1982 No. 303

(i) S.R. 1983 No. 289

(j) S.R. 1984 No. 340

(k) S.R. 1985 No. 268

(l) S.R. 1986 No. 213

(m) As amended by S.R. & O. (N.I.) 1972 No. 264 and S.I. 1974/1267 (N.I. 2) Art. 5(2) and (3)

(n) As amended by S.I. 1974/1267 (N.I. 2) Art. 5(3)(b)

(3) A pension beginning on or after 28th July 1986 and before 6th April 1987 may be increased by 2·10 per cent multiplied by $\frac{A}{B}$

where A is the number of complete months in the period between the beginning of the pension and 5th April 1987 and B is 8.

Increases in certain lump sums

4. In respect of any lump sum which became payable before 6th April 1987 but after 27th July 1986 there may be paid an increase of 2·10 per cent of the amount of the lump sum (as increased by the amount of any increase under section 1 of the Act of 1971 or under the existing Orders) multiplied by

$\frac{A}{B}$ where:

- (a) A is the number of complete months in the period between the beginning date for the lump sum (or, if later, 28th July 1986) and the date on which it became payable; and
- (b) B is 8.

Reductions in respect of guaranteed minimum pensions

5. Where—

- (i) a person is entitled to a guaranteed minimum pension on 6th April 1987 and
- (ii) entitlement to that guaranteed minimum pension arises from an employment from which (either directly or by virtue of the payment of a transfer credit) entitlement to the official pension also arises;

the amount by reference to which any increase in the rate of an official pension provided for by this Order is to be calculated shall be reduced by an amount equal to the rate of the guaranteed minimum pension unless the Department of Finance and Personnel shall, in accordance with the provisions of Article 69A(a) of the Order of 1975, otherwise direct.

Sealed with the Official Seal of the Department of Finance and Personnel on 19th February 1987.

(L.S.)

J. R. Ingram

Assistant Secretary

EXPLANATORY NOTE

(This note is not part of the Order.)

The Department of Finance and Personnel is required to provide by Order for increases in the rates of public service pensions.

This obligation arises under Article 69 of the Social Security Pensions (Northern Ireland) Order 1975 (as amended by Articles 10 and 16 of and Schedule 3 to the Social Security (Northern Ireland) Order 1979, Article 25(2) of and Schedule 6 to the Social Security (Northern Ireland) Order 1985, Article 83(1) of and Schedule 9 to the Social Security (Northern Ireland) Order 1986 and as modified in effect by Article 69A of the Order of 1975 (introduced by Article 10(3) of the Order of 1979)).

The increase to be made in the rates of such pensions is the percentage (or in some circumstances a fraction of the percentage) by which the Department of Health and Social Services has, by virtue of the provisions of Article 64 of the Social Security (Northern Ireland) Order 1986, increased the sums which are the additional components in the rates of long term benefits, namely the additional pension entitlements accruing to employees in respect of their earnings after 5th April 1978.

For pensions which began before 28th July 1986 the increase is 2·10%.

For pensions which began on or after 28th July 1986 the increases are computed under the formula set out in Article 69(1)(b) of the Order of 1975 and are as follows:

<i>Pensions Beginning</i>	<i>Percentage Increase</i>	<i>Pensions Beginning</i>	<i>Percentage Increase</i>
28th July 1986 to 21st August 1986	2·10%	22nd January 1987 to 21st February 1987	0·53%
22nd August 1986 to 21st September 1986	1·84%	22nd February 1987 to 21st March 1987	0·26%
22nd September 1986 to 21st October 1986	1·58%		
22nd October 1986 to 21st November 1986	1·31%		
22nd November 1986 to 21st December 1986	1·05%		
22nd December 1986 to 21st January 1987	0·79%		

A deferred lump sum which begins on or before 21st March 1987 and which becomes payable after 5th April 1987 receives the same percentage increase as a pension which begins on the same date.

Article 4 of the Order provides for increases on certain deferred lump sums which became payable after 27th July 1986 and before 6th April 1987.

The Order also provides that the amount by reference to which any increase in the rate of an official pension is to be calculated shall be reduced by an amount equal to the rate of the guaranteed minimum pension entitlement deriving from the employment which gives rise to the official pension. This is required by Article 69(5) of the Social Security Pensions (Northern Ireland) Order 1975 but Article 69A of that Order empowers the Department of Finance and Personnel to direct that in respect of specified cases or classes of case either no such reduction shall be made or the reduction shall be less than the rate of the guaranteed minimum pension.

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These Orders have been exempted from printing by the Statutory Rules (Northern Ireland) Order 1979. Summaries are given in the List of Statutory Rules of a Local Character under the heading **ROADS**.