

2004 No. 118

PENSIONS

Pensions Increase (Review) Order (Northern Ireland) 2004

Made - - - - - *16th March 2004*

Coming into operation *12th April 2004*

Whereas by virtue of section 132 of the Social Security Administration (Northern Ireland) Act 1992(a) a direction(b) has been given by the Department for Social Development(c) that the sums which are the additional pensions 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), (5) and (5ZA) of the Social Security Pensions (Northern Ireland) Order 1975(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.—(1) This Order may be cited as the Pensions Increase (Review) Order (Northern Ireland) 2004 and shall come into operation on 12th April 2004.

(2) This Order and the existing Orders may be cited together as the Pensions Increase (Review) Orders (Northern Ireland) 1972 to 2004.

Interpretation

2.—(1) In this Order –

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

“basic rate” and “derivative pension” have the meanings given by section 15(1)(g) of the Act of 1971;

“existing Orders” means the Orders referred to in the Schedule;

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

(a) 1992 c. 8
(b) Contained in S.R. 2004 No. 82
(c) See S.R. 1999 No. 481 Art. 8(b) and Schedule 6 Part II
(d) S.I. 1975/1503 (N.I. 15); Art. 69 was amended by S.I. 1979/396 (N.I. 5) Arts. 10(2), 16 and Sch. 3, S.I. 1985/1209 (N.I. 16) Art. 25(2) and Sch. 6, S.I. 1986/1888 (N.I. 18) Arts. 11(8), 19(1)(b), 83(1) and Sch. 9, para. 58, S.I. 1990/1509 (N.I. 13) Arts. 3(7) and 7, by section 4 and paragraph 14(19) of Schedule 2 to the Social Security (Consequential Provisions) (Northern Ireland) Act 1992 (1992 c. 9) and by section 184 of and paragraph 15(1) of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993 (1993 c. 49). Article 69 is modified by Article 69A, which was inserted by Article 10(3) of the Social Security (Northern Ireland) Order 1979 (S.I. 1979/396 (N.I. 5)), and amended by S.I. 1986/1888 (N.I. 18) Art. 11(9) and by section 184 of and paragraph 15(2) of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993
(e) By S.R. 1976 No. 281 Art. 3 and Sch. 1 and S.I. 1982/338 (N.I. 6) Art. 4
(f) 1971 c. 35 (N.I.)
(g) As amended by S.I. 1974/1267 (N.I. 2) Arts. 3(3) and 5(3)(b), S.I. 1990/1509 (N.I. 13) Art. 3(6) and S.I. 1999/3147 (N.I. 11) Art. 36(1) and (4)

“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 of the Act of 1971(a);

“relevant injury pension”, “substituted pension” and “widow’s pension” have the meanings given by section 15(1) 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(b), and the “beginning date” shall be construed accordingly.

(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 derivative or substituted pension or a relevant injury pension, be increased as set out in paragraphs (2) and (3) by the pension authority in respect of any period beginning on or after 12th April 2004.

(2) A pension beginning before 7th April 2003 may be increased by 2.8 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.

(3) A pension beginning on or after 7th April 2003 and before 12th April 2004 may be increased by 2.8 per cent multiplied by –

$$\frac{A}{B}$$

where A is the number of complete months in the period between the beginning date of the pension and 12th April 2004 and B is 12.

Increase in certain lump sums

4. In respect of any lump sum or instalment of a lump sum which became payable before 12th April 2004 but on or after 7th April 2003 there may be paid an increase of 2.8 per cent of the amount of the lump sum or instalment (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, 7th April 2003 and the date on which it became payable; and

(b) B is 12.

Reduction in respect of guaranteed minimum pensions

5. Where –

(a) a person is entitled to a guaranteed minimum pension on 12th April 2004; and

(b) 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,

(a) As amended by S.R. & O. (N.I.) 1972 No. 264, S.I. 1974/1267 (N.I. 2) Art. 5(2) and (3), S.I. 1987/2203 (N.I. 22) Art. 72(3) and Sch. 5 Part I, S.I. 1990/1509 (N.I. 13) Art. 3, S.I. 1995/3213 (N.I. 22) Art. 163 and S.I. 1999/3147 (N.I. 11) Art. 36(1) and (2)

(b) As amended by S.I. 1990/1509 (N.I. 13) Art. 3(5) and S.I. 1999/3147 (N.I. 11) Art. 36(1) and (3)

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^(a) in accordance with the provisions of Article 69A^(b) of the Order of 1975, otherwise directs.

6. The amount by reference to which any increase in the rate of a widow's or widower's pension provided for by this Order is to be calculated shall, where the pensioner becomes entitled on the death of the deceased spouse to a guaranteed minimum pension, be reduced in accordance with Article 69(5ZA)^(c) of the Order of 1975.

Sealed with the Official Seal of the Department of Finance and Personnel on 16th March 2004.

(L.S.)

Michael Daly

A Senior Officer of the Department of Finance and Personnel

(a) See S.I. 1982/338 (N.I. 6) Art. 4

(b) Inserted by S.I. 1979/396 (N.I. 5) Art. 10

(c) Inserted by S.I. 1990/1509 (N.I. 13) Art. 7(1)

SCHEDULE

Article 2(1)

EXISTING ORDERS

The Pensions Increase (Annual Review) Order (Northern Ireland) 1972**(a)**.
The Pensions Increase (Annual Review) Order (Northern Ireland) 1973**(b)**.
The Pensions Increase (Annual Review) Order (Northern Ireland) 1974**(c)**.
The Pensions Increase (Annual Review) Order (Northern Ireland) 1975**(d)**.
The Pensions Increase (Annual Review) Order (Northern Ireland) 1976**(e)**.
The Pensions Increase (Annual Review) Order (Northern Ireland) 1977**(f)**.
The Pensions Increase (Annual Review) Order (Northern Ireland) 1978**(g)**.
The Pensions Increase (Review) Order (Northern Ireland) 1979**(h)**.
The Pensions Increase (Review) Order (Northern Ireland) 1980**(i)**.
The Pensions Increase (Review) Order (Northern Ireland) 1981**(j)**.
The Pensions Increase (Review) Order (Northern Ireland) 1982**(k)**.
The Pensions Increase (Review) Order (Northern Ireland) 1983**(l)**.
The Pensions Increase (Review) Order (Northern Ireland) 1984**(m)**.
The Pensions Increase (Review) Order (Northern Ireland) 1985**(n)**.
The Pensions Increase (Review) Order (Northern Ireland) 1986**(o)**.
The Pensions Increase (Review) Order (Northern Ireland) 1987**(p)**.
The Pensions Increase (Review) Order (Northern Ireland) 1988**(q)**.
The Pensions Increase (Review) Order (Northern Ireland) 1989**(r)**.
The Pensions Increase (Review) Order (Northern Ireland) 1990**(s)**.
The Pensions Increase (Review) Order (Northern Ireland) 1991**(t)**.
The Pensions Increase (Review) Order (Northern Ireland) 1992**(u)**.
The Pensions Increase (Review) Order (Northern Ireland) 1993**(v)**.
The Pensions Increase (Review) Order (Northern Ireland) 1994**(w)**.
The Pensions Increase (Review) Order (Northern Ireland) 1995**(x)**.
The Pensions Increase (Review) Order (Northern Ireland) 1996**(y)**.

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- (a)** S.R. & O. (N.I.) 1972 No. 263
(b) S.R. & O. (N.I.) 1973 No. 364
(c) S.R. 1974 No. 296
(d) S.R. 1975 No. 269
(e) S.R. 1976 No. 276
(f) S.R. 1977 No. 277
(g) S.R. 1978 No. 269
(h) S.R. 1979 No. 338
(i) S.R. 1980 No. 364
(j) S.R. 1981 No. 307
(k) S.R. 1982 No. 303
(l) S.R. 1983 No. 289
(m) S.R. 1984 No. 340
(n) S.R. 1985 No. 268
(o) S.R. 1986 No. 213
(p) S.R. 1987 No. 70
(q) S.R. 1988 No. 61
(r) S.R. 1989 No. 72
(s) S.R. 1990 No. 86
(t) S.R. 1991 No. 84
(u) S.R. 1992 No. 69
(v) S.R. 1993 No. 125
(w) S.R. 1994 No. 99
(x) S.R. 1995 No. 39
(y) S.R. 1996 No. 90

The Pensions Increase (Review) Order (Northern Ireland) 1997**(a)**.
The Pensions Increase (Review) Order (Northern Ireland) 1998**(b)**.
The Pensions Increase (Review) Order (Northern Ireland) 1999**(c)**.
The Pensions Increase (Review) Order (Northern Ireland) 2000**(d)**.
The Pensions Increase (Review) Order (Northern Ireland) 2001**(e)**.
The Pensions Increase (Review) Order (Northern Ireland) 2002**(f)**.
The Pensions Increase (Review) Order (Northern Ireland) 2003**(g)**.

(a) S.R. 1997 No. 124
(b) S.R. 1998 No. 66
(c) S.R. 1999 No. 109
(d) S.R. 2000 No. 64
(e) S.R. 2001 No. 94
(f) S.R. 2002 No. 102
(g) S.R. 2003 No. 169

EXPLANATORY NOTE

(This note is not part of the Order.)

Under Article 69 of the Social Security Pensions (Northern Ireland) Order 1975 (“the Order of 1975”) as amended, and as modified by Article 69A of that Order, the Department of Finance and Personnel is required to provide by Order for increases in the rates of public service pensions. Under Article 69(7) of the Order of 1975, Article 69 of that Order has effect as if it were contained in the Pensions (Increase) Act (Northern Ireland) 1971. Section 9(2)(c) of the Act of 1971 provides that references to the ‘rate’ of pension shall have effect as references also to the amount of a lump sum benefit.

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 for Social Development has, by virtue of the provisions of section 132 of the Social Security Administration (Northern Ireland) Act 1992, increased the sums which are the additional pensions in 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 7th April 2003 the increase is 2.8%.

For pensions which began on or after 7th April 2003 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>
7th April 2003 to 27th April 2003	2.8%	28th November 2003 to 27th December 2003	0.93%
28th April 2003 to 27th May 2003	2.57%	28th December 2003 to 27th January 2004	0.70%
28th May 2003 to 27th June 2003	2.33%	28th January 2004 to 27th February 2004	0.47%
28th June 2003 to 27th July 2003	2.10%	28th February 2004 to 27th March 2004	0.23%
28th July 2003 to 27th August 2003	1.87%	28th March 2004 onwards	Nil
28th August 2003 to 27th September 2003	1.63%		
28th September 2003 to 27th October 2003	1.40%		
28th October 2003 to 27th November 2003	1.17%		

Article 4 of the Order provides for increases on certain deferred lump sums which became payable on or after 7th April 2003 and before 12th April 2004.

The Order also makes provision for the amount by reference to which any increase in the rate of an official pension is to be calculated to 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 Order of 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. Article 69(5ZA) of the Order of 1975 applies Article 69(5) to a widow’s or widower’s pension.

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