

2006 No. 37

PENSIONS

SOCIAL SECURITY

**The Pensions (2004 Act and 2005 Order) (PPF Payments and
FAS Payments) (Consequential Provisions) Order
(Northern Ireland) 2006**

Made - - - - - *13th February 2006*

Coming into operation - *14th February 2006*

The Department for Social Development makes the following Order in exercise of the powers conferred by Articles 287(3) and 290(2) of the Pensions (Northern Ireland) Order 2005(a).

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Pensions (2004 Act and 2005 Order) (PPF Payments and FAS Payments) (Consequential Provisions) Order (Northern Ireland) 2006 and shall come into operation on 14th February 2006.

(2) In this Order—

“FAS payments” means payments made under the Financial Assistance Scheme Regulations 2005(b);

“PPF payments” means any payments made in relation to a person—

- (a) under the pension compensation provisions as specified in Article 146(2) of the Pensions (Northern Ireland) Order 2005(c) or section 162(2) of the Pensions Act 2004(d) (the pension compensation provisions), or
- (b) under Article 150 of the Pensions (Northern Ireland) Order 2005 or section 166 of the Pensions Act 2004 (duty to pay scheme benefits unpaid at assessment date etc.).

(a) S.I. 2005/255 (N.I. 1)

(b) S.I. 2005/1986, amended by S.I. 2005/3256

(c) Articles 146 and 150 are modified by S.R. 2005 Nos. 55 and 91 as amended by S.R. 2005 No. 357

(d) 2004 c. 35; sections 162 and 166 are modified by S.I. 2005/277 and 441 as amended by S.I. 2005/993 and 2113

Amendments of legislation

2. The Schedule, which contains amendments of provisions of certain legislation relating to pensions and benefit payments and extends those provisions to take into account PPF payments and FAS payments, shall have effect.

Sealed with the Official Seal of the Department for Social Development on 13th February 2006.



D. A. Baker

A senior officer of the Department for Social Development

SCHEDULE

Article 2

AMENDMENTS OF LEGISLATION

PART 1

AMENDMENT OF THE CONTRIBUTIONS AND BENEFITS ACT

1.—(1) The Contributions and Benefits Act shall be amended in accordance with sub-paragraphs (2) to (4).

(2) In section 30DD(a) (incapacity benefit: reduction for pension payments)—

- (a) in the heading after “pension payments” there shall be inserted “and PPF periodic payments”;
- (b) for subsection (1) there shall be substituted the following subsection—

“(1) Where—

- (a) a person is entitled to incapacity benefit in respect of any period of a week or part of a week;
- (b) there is—
 - (i) a pension payment;
 - (ii) a PPF periodic payment; or
 - (iii) any combination of the payments specified in sub-paragraphs (i) and (ii) above,payable to him in respect of that period (or a period which forms part of that period or includes that period or part of it); and
- (c) the amount of the payment or payments (or, as the case may be, the amount which in accordance with regulations is to be taken as payable to him by way of pension payments or PPF periodic payments in respect of that period), when taken together exceeds the threshold,

the amount of that benefit shall be reduced by an amount equal to 50 per cent. of that excess.”;

- (c) in subsection (4)(b) and (c) after “pension payments” there shall be inserted “or PPF periodic payments”.

(a) Section 30DD was inserted by Article 60 of the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11))

(3) In section 89(a) (earnings to include occupational and personal pensions for purposes of provisions relating to increases of benefits in respect of adult dependants)—

- (a) in the heading after “personal pensions” there shall be inserted “etc.”;
- (b) after subsection (1) there shall be inserted the following subsection—

“(1A) Except as may be prescribed, in sections 82 to 86A(b) above, and in regulations under section 86A above, any reference to earnings includes a reference to payments by way of PPF periodic payments.”;

- (c) in subsection (2)—
 - (i) for “subsection (1) above” there shall be substituted “subsections (1) and (1A) above”;
 - (ii) after “occupational or personal pension” there shall be inserted “or PPF periodic payments”;
- (d) after subsection (2) there shall be added the following subsection—

“(3) In this section “PPF periodic payments” means—

- (a) any periodic compensation payments made in relation to a person, payable under the pension compensation provisions as specified in Article 146(2) of the Pensions (Northern Ireland) Order 2005 or section 162(2) of the Pensions Act 2004 (the pension compensation provisions); or
- (b) any periodic payments made in relation to a person, payable under Article 150 of the Pensions (Northern Ireland) Order 2005 or section 166 of the Pensions Act 2004 (duty to pay scheme benefits unpaid at assessment date etc.),

other than payments made to a surviving dependant of a person entitled to such compensation.”.

(4) In section 121(1) (interpretation of Parts I to VI and supplementary provisions) after the definition of “pneumoconiosis” there shall be inserted the following definition—

““PPF periodic payments” means—

- (a) any periodic compensation payments made in relation to a person, payable under the pension compensation provisions as specified in Article 146(2) of the Pensions (Northern Ireland) Order 2005 or section 162(2) of the Pensions Act 2004 (the pension compensation provisions); or
- (b) any periodic payments made in relation to a person, payable under Article 150 of the Pensions (Northern Ireland) Order 2005 or section 166 of the Pensions Act 2004 (duty to pay scheme benefits unpaid at assessment date etc.);”.

(a) Section 89 was amended by paragraph 26 of Schedule 1 to the Social Security (Incapacity for Work) (Northern Ireland) Order 1994 (S.I. 1994/1898 (N.I. 12)) and Schedule 6 to the Tax Credits Act 2002 (c. 21)

(b) Section 82 was amended by paragraph 7 of Schedule 2, and Schedule 3, to the Jobseekers (Northern Ireland) Order 1995 (S.I. 1995/2705 (N.I. 15)) and paragraph 89 of Schedule 24 to the Civil Partnership Act 2004 (c. 33), and is amended by paragraph 31 of Schedule 1 to the Child Benefit Act 2005 (c. 6) with effect from 10th April 2006. Section 83 was amended by Schedule 2 to the Social Security (Incapacity for Work) (Northern Ireland) Order 1994. Section 84 was amended by paragraph 8 of Schedule 2 to the Jobseekers (Northern Ireland) Order 1995. Section 85 was amended by Schedule 2 to the Social Security (Incapacity for Work) (Northern Ireland) Order 1994, paragraph 18(10) of Schedule 2 to the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) and paragraph 91 of Schedule 24 to the Civil Partnership Act 2004, and is amended by paragraph 32 of Schedule 1 to the Child Benefit Act 2005 with effect from 10th April 2006. Section 86 was repealed by Schedule 2 to the Social Security (Incapacity for Work) (Northern Ireland) Order 1994. Section 86A was inserted by Article 4(4) of that Order

PART 2

AMENDMENT OF THE JOBSEEKERS (NORTHERN IRELAND) ORDER 1995

2.—(1) The Jobseekers (Northern Ireland) Order 1995(a) shall be amended in accordance with sub-paragraphs (2) and (3).

(2) In Article 2 (interpretation)—

(a) after the definition of “family” there shall be inserted the following definition—

““FAS payments” means payments made under the Financial Assistance Scheme Regulations 2005;”;

(b) after the definition of “personal pension scheme” there shall be inserted the following definition—

““PPF payments” means any payments made in relation to a person—

(a) payable under the pension compensation provisions as specified in Article 146(2) of the Pensions (Northern Ireland) Order 2005 or section 162(2) of the Pensions Act 2004 (the pension compensation provisions); or

(b) payable under Article 150 of the Pensions (Northern Ireland) Order 2005 or section 166 of the Pensions Act 2004 (duty to pay scheme benefits unpaid at assessment date etc.);”.

(3) In Article 6(1)(b) (amount payable by way of a jobseeker’s allowance) for “and pension payments” there shall be substituted “, pension payments, PPF payments and FAS payments”.

PART 3

AMENDMENT OF THE STATE PENSION CREDIT ACT (NORTHERN IRELAND) 2002

3.—(1) The State Pension Credit Act (Northern Ireland) 2002(b) shall be amended in accordance with sub-paragraphs (2) and (3).

(2) In section 7(6) (fixing of claimant’s retirement provision for assessed income period) after paragraph (c) there shall be added the following paragraph—

“(d) PPF periodic payments.”.

(3) In section 17(1) (other interpretation provisions) after the definition of “personal pension scheme” there shall be inserted the following definition—

““PPF periodic payments” means—

(a) any periodic compensation payments made in relation to a person, payable under the pension compensation provisions as specified in Article 146(2) of the Pensions (Northern Ireland) Order 2005 or section 162(2) of the Pensions Act 2004 (the pension compensation provisions); or

(b) any periodic payments made in relation to a person, payable under Article 150 of the Pensions (Northern Ireland) Order 2005 or section 166 of the Pensions Act 2004 (duty to pay scheme benefits unpaid at assessment date etc.);”.

(a) S.I. 1995/2705 (N.I. 15)
(b) 2002 c. 14 (N.I.)

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (“the 1992 Act”) and the State Pension Credit Act (Northern Ireland) 2002 (“the 2002 Act”) so as to allow adult dependency increases, incapacity benefit and state pension credit to take into account Pension Protection Fund periodic payments (“PPF periodic payments”) in a similar way to that in which pensions and benefit payments are treated. It also amends the Jobseekers (Northern Ireland) Order 1995 (“the 1995 Order”) so as to allow contribution-based jobseeker’s allowance similarly to take into account Pension Protection Fund payments (“PPF payments”) and Financial Assistance Scheme payments (“FAS payments”).

Article 2 introduces the Schedule containing the amendments.

Part 1 of the Schedule amends sections 30DD and 89 of the 1992 Act to provide that PPF periodic payments are treated in the same manner as occupational and personal pensions for the purposes of calculating incapacity benefit and increases of benefit for adult dependants. It also introduces a definition of “PPF periodic payments” into the 1992 Act.

Part 2 of the Schedule amends Article 6(1) of the 1995 Order to specify that, for the purposes of contribution-based jobseeker’s allowance, PPF payments and FAS payments shall be taken into account when calculating the rate of contribution-based jobseeker’s allowance that is to be paid to a claimant. It also introduces definitions of “FAS payments” and “PPF payments” into the 1995 Order.

Part 3 of the Schedule amends section 7(6) of the 2002 Act to provide that, for the purposes of the assessed income period, PPF periodic payments are treated in the same manner as occupational and personal pensions. It also introduces a definition of “PPF periodic payments” into the 2002 Act.

The Pensions (2005 Order) (Commencement No. 6) Order (Northern Ireland) 2005 (S.R. 2005 No. 411 (C. 32)) provides for the coming into operation of Article 290(2), one of the enabling provisions under which this Order is made, on 1st September 2005.