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STATUTORY INSTRUMENTS

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**1979 No. 1047**

**PENSIONS**

**The Pensions Increase (Review) Order 1979**

<i>Made</i>	- - - -	<i>8th August 1979</i>
<i>Laid before Parliament</i>		<i>22nd August 1979</i>
<i>Coming into Operation</i>		<i>12th November 1979</i>

Whereas by virtue of section 23 of the Social Security Pensions Act 1975(1) a direction has been given(2) under section 124 of the Social Security Act 1975 by the Secretary of State for Social Services that the sums mentioned in section 23(1)(b) are to be increased:

Now therefore the Minister for the Civil Service, in exercise of the powers conferred on her by section 59 of the Social Security Pensions Act 1975 and of all other powers enabling her in that behalf, hereby makes the following Order:—

**Citation and Commencement**

1. This Order may be cited as the Pensions Increase (Review) Order 1979 and shall come into operation on 12th November 1979.

**Interpretation**

2.—(1) In this Order—

“the 1971 Act” means the Pensions (Increase) Act 1971;

“the 1974 Act” means the Pensions (Increase) Act 1974;

“the 1975 Act” means the Social Security Pensions Act 1975;

“basic rate” has the meaning given by section 17(1) of the 1971 Act as amended by section 1(3) of the 1974 Act;

“the existing Orders” means the Pensions Increase (Annual Review) Order 1972, the Pensions Increase (Annual Review) Order 1973, the Pensions Increase (Annual Review) Order 1974, the Pensions Increase (Annual Review) Order 1975, the Pensions Increase (Annual Review) Order 1976, the Pensions Increase (Annual Review) Order 1977 and the Pensions Increase (Annual Review) Order 1978;

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

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(1) section 59 was amended by section 11 of the Social Security Act 1979 (c. 18).  
(2) The direction is contained in S.I. 1979/993.

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

“qualifying condition” means one of the conditions laid down in section 3 of the 1971 Act as amended by section 3(2) and (3) of the 1974 Act;

“widow's pension” means a pension payable in respect of the services of the pensioner's deceased husband.

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

### **Pension increases**

**3.** The annual rate of an official pension may, if a qualifying condition is satisfied or the pension is a widow's pension, be increased by the pension authority in respect of any period beginning on or after 12th November 1979 as follows:—

(1) a pension beginning on or before 1st July 1978 may be increased by 16 per cent of the basic rate as increased by the amount of any increase under section 1 of the 1971 Act or the existing Orders;

(2) a pension beginning on or after 2nd July 1978 may be increased by 17.5 per cent. multiplied by

AB

where

(a) A is the number of complete months in the period between the beginning date of the pension and 12th November 1979 and

(b) B is 12.

### **Increases in certain lump sums**

**4.** In respect of any lump sum or instalment of a lump sum which became payable before 12th November 1979 but after 1st December 1978 there may be paid an increase of 17.5 per cent. multiplied by

AB

where

(a) A is the number of complete months in the period between the beginning date for the lump sum or, if later, 1st December 1978 and the date on which it became payable; and

(b) B is 12.

### **Reductions in respect of guaranteed minimum pensions**

**5.** 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, in the case of a person who

(i) is entitled to a guaranteed minimum pension on 12th November 1979, and

(ii) whose entitlement to that guaranteed minimum pension arises from an employment from which (either directly or by virtue of the payment of a transfer credit under section 38 of the 1975 Act) entitlement to the official pension also arises,

be reduced by an amount equal to the rate of the guaranteed minimum-pension unless the Minister for the Civil Service shall, in accordance with the provisions of section 59A of the 1975 Act, otherwise direct.

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Given under the official seal of the Minister for the Civil Service on 8th August 1979.

L.S.

*Soames*  
Lord President of the Council

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## EXPLANATORY NOTE

This Order is the first made under section 59 of the Social Security Pensions Act 1975 as amended by section 11 of the Social Security Act 1979 and as modified by section 59A of the 1975 Act (introduced by section 11(4) of the 1979 Act). In previous years the orders were made under section 2 of the Pensions (Increase) Act 1971 (as amended by section 25(1) of the Superannuation Act 1972 (c. 11)) but this provision has now been repealed. Under the new procedure the Minister for the Civil Service is required to make an order providing for the increase in the rates of public service pensions. The increase is the percentage by which the Secretary of State for Social Services has, by directions given under the provisions of section 23 of the Social Security Pensions Act 1975, increased the sums referred to in section 23(1)(b) of the 1975 Act. These are 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 6th April 1978.

For pensions which began on or before 1st July 1978 the increase is 16 per cent. For pensions which began after 1st July 1978, the increases are as follows

Pensions beginning	Percentage Increase
2 July to 27 July 1978	23.3%
28 July to 27 August 1978	21.9%
28 August to 27 September 1978	20.4%
28 September to 27 October 1978	19.0%
28 October to 27 November 1978	17.5%
28 November to 27 December 1978	16.0%
28 December 1978 to 27 January 1979	14.6%
28 January to 27 February 1979	13.1%
28 February 1979 to 27 March 1979	11.7%
28 March to 27 April 1979	10.2%
28 April to 27 May 1979	8.8%
28 May to 27 June 1979	7.3%
28 June to 27 July 1979	5.8%
28 July to 27 August 1979	4.4%
28 August to 27 September 1979	2.9%
28 September to 27 October 1979	1.5%

Deferred lump sums beginning on or before 27th October 1979 and which have not become payable by 12th November 1979 receive the same percentage increase as pensions which began on the same date, and Article 4 of the Order provides for further increases on certain deferred lump sums which have become payable since 1st December 1978.

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 the amount equal to the rate of the guaranteed

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minimum pension entitlement deriving from the employment which gives rise to the official pension. This is required by section 59(5) of the Social Security Pensions Act 1975 but the new section 59A of that Act empowers the Minister for the Civil Service to direct that in respect of specified cases or classes of case either no such reduction be made or the reduction shall be less than the rate of the guaranteed minimum pension.