



2008 CHAPTER 1

**PART 1**

STATE PENSION

*Additional pension: simplification of accrual rates*

**Additional pension: removal of accrual band from 2010–11**

**8.—(1)** Schedule 4A to the Contributions and Benefits Act (additional pension) is amended as follows.

(2) In Part 2 (surplus earnings factor) in paragraph 2 (calculation of amount where there is a surplus in pensioner's earnings factor)—

(a) in sub-paragraph (4) after “2009” insert “ where the tax year concerned falls before 2010–11 ”;

(b) after sub-paragraph (4) insert—

“(4A) The appropriate table for persons attaining pensionable age on or after 6th April 2009 where the tax year concerned is 2010–11 or a subsequent tax year is as follows—

**TABLE 2A**

<i>Amount of surplus</i>		<i>Percentage</i>
Band 1.	Not exceeding LET	40
Band 2.	Exceeding LET but not exceeding AUEL	10”;

(c) <sup>F1</sup> .....

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*Changes to legislation: There are currently no known outstanding effects for the Pensions Act (Northern Ireland) 2008, Cross Heading: Additional pension: simplification of accrual rates. (See end of Document for details)*

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(3) In Part 3 (contracted-out employment) in paragraph 5 (calculation of amount A)—

(a) in sub-paragraph (4) after “2009” insert “ where the tax year concerned falls before 2010–11 ”;

(b) after sub-paragraph (4) insert—

“(4A) The appropriate table for persons attaining pensionable age on or after 6th April 2009 where the tax year concerned is 2010–11 or a subsequent tax year is as follows—

**TABLE 4A**

<i>Amount of surplus</i>		<i>Percentage</i>
Band 1.	Not exceeding LET	40
Band 2.	Exceeding LET but not exceeding AUEL	10”.

(4) In paragraph 7 (calculation of amount B second case)—

(a) in sub-paragraph (4) after “2009” insert “ where the tax year concerned falls before 2010–11 ”;

(b) after sub-paragraph (4) insert—

“(4A) The appropriate table for persons attaining pensionable age on or after 6th April 2009 where the tax year concerned is 2010–11 or a subsequent tax year is as follows—

**TABLE 6A**

<i>Amount of surplus</i>		<i>Percentage</i>
Band 1.	Not exceeding LET	40
Band 2.	Exceeding LET but not exceeding AUEL	10”.

(5) <sup>F2</sup> .....

(6) For the heading for that Schedule substitute “ ADDITIONAL PENSION: ACCRUAL RATES FOR PURPOSES OF SECTION 45(2)(c) ”.

**Textual Amendments**

**F1** S. 8(2)(c) repealed (15.12.2008) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), ss. 116, 118(2)(c), **Sch. 10 Pt. 6**

**F2** S. 8(5) repealed (15.12.2008) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), ss. 116, 118(2)(c), **Sch. 10 Pt. 6**

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*Changes to legislation: There are currently no known outstanding effects for the Pensions Act (Northern Ireland) 2008, Cross Heading: Additional pension: simplification of accrual rates. (See end of Document for details)*

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**Additional pension: simplified accrual rates as from flat rate introduction year**

**9.**—(1) Section 45 of the Contributions and Benefits Act (the additional pension in a Category A retirement pension) is amended as follows.

(2) In subsection (2) (calculation of the weekly rate of additional pension) after paragraph (c) add “; and

(d) in relation to the flat rate introduction year and subsequent tax years, the weekly equivalent of the amount calculated in accordance with Schedule 4B to this Act.”.

(3) In subsection (3A) (tax years for which weekly rate is calculated by reference to Schedule 4A) at the end of paragraph (b) add “ before the flat rate introduction year ”.

(4) In section 121 of the Contributions and Benefits Act (interpretation of Parts 1 to 6) in subsection (1) at the appropriate place insert—

““the flat rate introduction year” means such tax year as may be designated as such by order;”.

(5) In Schedule 2—

- (a) Part 1 inserts a new Schedule 4B into the Contributions and Benefits Act;
- (b) Part 2 makes provision for up-rating the flat rate accrual amount introduced by the new Schedule 4B; and
- (c) Part 3 contains consequential and related amendments.

**Additional pension: upper accrual point**

**10.**—(1) In section 22 of the Contributions and Benefits Act (earnings factors)—

(a) in subsection (2A) (person's earnings factors to be treated as derived only from so much of his earnings as did not exceed the upper earnings limit etc.) for “the upper earnings limit” substitute “ the applicable limit ”; and

(b) after that subsection insert—

“(2B) “The applicable limit” means—

- (a) in relation to a tax year before the flat rate introduction year, the upper earnings limit;
- (b) in relation to the flat rate introduction year or any subsequent tax year, the upper accrual point.”.

(2) In section 44 of the Contributions and Benefits Act (Category A retirement pension)—

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**Changes to legislation:** *There are currently no known outstanding effects for the Pensions Act (Northern Ireland) 2008, Cross Heading: Additional pension: simplification of accrual rates. (See end of Document for details)*

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- (a) in subsection (6) (meaning of references to earnings factors) in paragraph (za) for “the upper earnings limit” substitute “ the applicable limit ”;
- (b) in subsection (7) at the end add—
  - “(c) “the applicable limit” means—
    - (i) in relation to a tax year before the flat rate introduction year, the upper earnings limit;
    - (ii) in relation to the flat rate introduction year or any subsequent tax year, the upper accrual point.”.
- (3) <sup>F3</sup> .....
- (4) Part 7 of Schedule 1 contains consequential amendments.
- (5) Whenever the Secretary of State makes an order under section 12 of the Pensions Act 2007 (c. 22), the Department may make a corresponding order for Northern Ireland.
- (6) An order under subsection (5) is subject to negative resolution.

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**Textual Amendments**

- F3** S. 10(3) repealed (15.12.2008) by [Pensions \(No. 2\) Act \(Northern Ireland\) 2008 \(c. 13\)](#), ss. 116, 118(2)(c), [Sch. 10 Pt. 6](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Pensions Act (Northern Ireland) 2008, Cross Heading: Additional pension: simplification of accrual rates.