



2000 CHAPTER 4

PART II

PENSIONS

CHAPTER I

STATE PENSIONS

State second pension

Earnings from which pension derived

29.—(1) In section 22 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7) (in this Act referred to as the Contributions and Benefits Act) (earnings factors), after subsection (2) there shall be inserted—

“(2A) For the purpose specified in subsection (2)(b) above, in the case of the first appointed year or any subsequent tax year a person's earnings factor shall be treated as derived only from those of his earnings on which primary Class 1 contributions have been paid or treated as paid.” .

(2) In section 44 of that Act (Category A retirement pension), in subsection (6)

(a) before paragraph (a) there shall be inserted—

“(za) where the relevant year is the first appointed year or any subsequent year, to the aggregate of his earnings factors derived from those of his earnings upon which primary Class 1 contributions have been paid or treated as paid in respect of that year;” ; and

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(b) in paragraph (a), after subsequent tax year there shall be inserted “before the first appointed year”.

(3) After that section there shall be inserted—

“Deemed earnings factors

44A.—(1) For the purposes of section 44(6)(za) above, if any of the conditions in subsection (2) below is satisfied for a relevant year, a pensioner is deemed to have an earnings factor for that year which—

(a) is derived from earnings on which primary Class 1 contributions were paid; and

(b) is equal to the amount which, when added to any other earnings factors taken into account under that provision, produces an aggregate of earnings factors equal to the low earnings threshold.

(2) The conditions referred to in subsection (1) above are that—

(a) the pensioner would, apart from this section, have an earnings factor for the year—

(i) equal to or greater than the qualifying earnings factor for the year; but

(ii) less than the low earnings threshold for the year;

(b) invalid care allowance—

(i) was payable to the pensioner throughout the year; or

(ii) would have been so payable but for the fact that under regulations the amount payable to him was reduced to nil because of his receipt of other benefits;

(c) for the purposes of paragraph 5(7)(b) of Schedule 3, the pensioner is taken to be precluded from regular employment by responsibilities at home throughout the year by virtue of—

(i) the fact that child benefit was payable to him in respect of a child under the age of six; or

(ii) his satisfying such other condition as may be prescribed; or

(d) the pensioner is a person satisfying the requirement in subsection (3) below to whom long-term incapacity benefit was payable throughout the year, or would have been so payable but for the fact that—

(i) he did not satisfy the contribution conditions specified in paragraph 2 of Schedule 3; or

(ii) under regulations the amount payable to him was reduced to nil because of his receipt of other benefits or of payments from an occupational pension scheme or personal pension scheme.

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- (3) The requirement referred to in subsection (2)(d) above is that—
- (a) for one or more relevant years the pensioner has paid, or (apart from this section) is treated as having paid, primary Class 1 contributions on earnings equal to or greater than the qualifying earnings factor; and
 - (b) the years for which he has such a factor constitute at least one tenth of his working life.
- (4) For the purposes of subsection (3)(b) above—
- (a) a pensioner's working life shall not include—
 - (i) any tax year before 1978-79; or
 - (ii) any year in which he is deemed under subsection (1) above to have an earnings factor by virtue of fulfilling the condition in subsection (2)(b) or (c) above; and
 - (b) the figure calculated by dividing his working life by ten shall be rounded to the nearest whole year (and any half year shall be rounded down).
- (5) The low earnings threshold for the first appointed year and subsequent tax years shall be £9,500 (but subject to section 130A of the Administration Act).
- (6) In subsection (2)(d)(ii) above, occupational pension scheme and personal pension scheme have the same meanings as in subsection (6) of section 30DD above for the purposes of subsection (5) of that section.”.
- (4) For the purposes of subsection (1) of section 44A of the Contributions and Benefits Act, a pensioner is deemed to have an earnings factor in relation to any relevant year as specified in that subsection if—
- (a) severe disablement allowance was payable to him throughout the year; and
 - (b) he satisfies the requirement in subsection (3) of that section.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 7 para. 1(2)(c) added by [2007 c. 2 \(N.I.\) Sch. 5 para. 6](#)
- Sch. 7 para. 6(5A)-(5C) inserted by [S.I. 2015/2006 \(N.I.\) Sch. 11 para. 10\(3\)](#)