

*These notes refer to the Pensions Act (Northern Ireland)
2015 (c.5) which received Royal Assent on 23 June 2015*

Pensions Act (Northern Ireland) 2015

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1 – State Pension

Section 23: Amendments

Schedule 12: State pension: amendments

Schedule 12 provides for a number of amendments to other legislation relating to the introduction of the new state pension.

Schedule 12, Part 1 contains amendments that are related to the new state pension scheme. For example, Schedule 12, paragraphs 16 to 18 amend the general revaluation and up-rating provisions in the Social Security Administration (Northern Ireland) Act 1992.

Part 2 contains amendments to do with the current retirement pension scheme.

The amendments limit the current retirement pension scheme to those reaching pensionable age before 6th April 2016.

The amendments also provide that, where such a person is entitled to an old state pension based on the contributions of a spouse or civil partner who is in the new state pension scheme, that retirement pension will be based only on contributions the spouse or civil partner made for the period before the new state pension scheme was introduced.

Part 2 also removes several aspects of the current scheme for those reaching pensionable age after the new state pension start date:

- Category C pension. This category of pension was introduced to provide non-means tested pensions to those who had reached pensionable age before the National Insurance scheme started in 1948 and had not been insured under the pre-1948 provisions. Provision is removed for anyone reaching pensionable age on or after the new state pension start date. The only people who could now be entitled to a Category C pension are widows of individuals who reached pensionable age before 5th July 1948;
- Category D pension. Category D non-contributory pensions for those aged 80 and over were introduced to help a number of elderly people without access

to a pension. Changes made to the retirement pension since then (largely the reduction of the number of qualifying years needed for a state pension and changes to National Insurance credits) mean that the number of recipients is declining and expected to decline further. Provision remains for those reaching pensionable age before the new state pension start date but is not replicated for those reaching pensionable age thereafter;

- The age addition. The age addition to contributory and non-contributory retirement pensions is paid to people aged eighty or over. It was introduced in 1971 but has never been increased from 25 pence. Provision remains for those reaching pensionable age before the new state pension start date but is not replicated for those reaching pensionable age thereafter.

Part 3 of Schedule 12 provides that the savings credit element of state pension credit is only payable (from the savings credit qualifying age) to those who have reached pensionable age before the start date of the new state pension scheme.

An individual who does not meet these criteria could still qualify if he or she is a member of a mixed age couple where the other member reached pensionable age before the start date of the new state pension scheme. However, a power is given to the Department to specify the circumstances in which entitlement is restricted for these mixed age couples. For clarity, an example is given of how the power might be used in regulations.

Part 4 contains miscellaneous amendments regarding the introduction of the new state pension. These include repealing provisions in the Pensions (No. 2) Act for consolidating the additional pension which are not required as a result of the introduction of the new state pension.