
STATUTORY INSTRUMENTS

1999 No. 3147

**The Welfare Reform and Pensions
(Northern Ireland) Order 1999**

PART V

PENSION SHARING

CHAPTER I

SHARING OF RIGHTS UNDER PENSION ARRANGEMENTS

Indexation

Public service pension schemes

- 36.**—(1) The Pensions (Increase) Act (Northern Ireland) 1971 shall be amended as follows.
- (2) In section 3 (qualifying conditions), after subsection (2) there shall be inserted—
- “(2A) A pension attributable to the pensioner having become entitled to a pension credit shall not be increased unless the pensioner has attained the age of fifty-five years.” .
- (3) In section 8—
- (a) in subsection (1) (definition of “pension”), in paragraph (a), the words from “(either” to “person)” shall be omitted;
- (b) in subsection (2) (when pension deemed for purposes of the Act to begin), after “pension”, in the first place where that word occurs, there shall be inserted “ which is not attributable to a pension credit ”; and
- (c) after that subsection there shall be inserted—
- “(2A) A pension which is attributable to a pension credit shall be deemed for purposes of this Act to begin on the day on which the order or provision on which the credit depends takes effect.” .
- (4) In section 15(1) (interpretation)—
- (a) for the definitions of “derivative pension” and “principal pension” there shall be substituted—
- ““ derivative pension ” means a pension which—
- (a) is not payable in respect of the pensioner's own services, and
- (b) is not attributable to the pensioner having become entitled to a pension credit;” ,
- (b) after the definition of “pension” there shall be inserted—
- ““ pension credit ” means a credit under Article 26(1)(b) of the Welfare Reform and Pensions (Northern Ireland) Order 1999 or under section 29(1)(b) of the Welfare Reform and Pensions Act 1999;

- “principal pension” means a pension which—
 - (a) is payable in respect of the pensioner's own services; or
 - (b) is attributable to the pensioner having become entitled to a pension credit;” , and
- (c) for the definition of “widow's pension” there shall be substituted—
 - ““ widow's pension ” means a pension payable—
 - (a) in respect of the services of the pensioner's deceased husband, or
 - (b) by virtue of the pensioner's deceased husband having become entitled to a pension credit.” .

Other pension schemes

37.—(1) The Department may by regulations make provision for a pension to which paragraph (2) applies to be increased, as a minimum, by reference to [^{F1}relevant percentage increases] , so far as not exceeding[^{F2} the maximum percentage] per annum.

- (2) [^{F2}Subject to paragraph (2A), this] paragraph applies to—
 - (a) a pension provided to give effect to eligible pension credit rights of a member under a qualifying occupational pension scheme, ^{F3} . . .
 - (b) ^{F4}

[^{F2}(2A) Paragraph (2) does not apply to pensions which—

- (a) are money purchase benefits, and
- (b) become pensions in payment on or after the commencement day.

[^{F5}(2AA) In paragraph (1) “relevant percentage increases” means percentage increases estimated by the Secretary of State from time to time for the purposes of paragraph 2(3)(a) of Schedule 3 to the Pension Schemes Act 1993 for revaluation periods of 12 months.]

(2B) For the purposes of paragraph (1) the “maximum percentage” means—

- (a) 5 per cent. in a case where—
 - (i) the pension is in payment before the commencement day, or
 - (ii) the pension is not in payment before the commencement day but the entitlement to the relevant pension credit arose before that day, and
- (b) 2.5 per cent. in a case where the entitlement to the relevant pension credit arises on or after the commencement day.]

(3) In this Article—

[^{F2}“commencement day” means the day appointed for the coming into operation of Article 257 of the Pensions (Northern Ireland) Order 2005 (amendments to Article 37);]

“eligible”, in relation to pension credit rights, means of a description prescribed by regulations made by the Department;

[^{F2}“money purchase benefit” has the meaning given by section 176(1) of the Pension Schemes Act;]

“pension credit rights”, in relation to an occupational pension scheme, means rights to future benefits under the scheme which are attributable (directly or indirectly) to a credit under Article 26(1)(b) or under section 29(1)(b) of the Welfare Reform Act;

“qualifying occupational pension scheme” means an occupational pension scheme which is not a public service pension scheme;

[^{F2}“relevant pension credit” means the pension credit to which the eligible pension credit rights
^{F6} . . . are (directly or indirectly) attributable;]

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| F1 | Words in art. 37(1) substituted (7.6.2012) by Pensions Act (Northern Ireland) 2012 (c. 3), ss. 20(10), 34(3); S.R. 2012/233, art. 2(2)(e) |
| F2 | 2005 NI 1 |
| F3 | Art. 37(2)(b) and preceding word repealed (6.4.2009) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), ss. 116, 118(1), Sch. 10 Pt. 2; S.R. 2009/22, art. 2(2)(d) |
| F4 | Art. 37(2)(b) and preceding word repealed (6.4.2009) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), ss. 116, 118(1), Sch. 10 Pt. 2; S.R. 2009/22, art. 2(2)(d) |
| F5 | Art. 37(2AA) inserted (7.6.2012) by Pensions Act (Northern Ireland) 2012 (c. 3), ss. 20(11), 34(3); S.R. 2012/233, art. 2(2)(e) |
| F6 | Words in art. 37(3) in definition of "relevant pension credit" repealed (6.4.2009) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), ss. 116, 118(1), Sch. 10 Pt. 2; S.R. 2009/22, art. 2(2)(d) |
| F7 | Art. 37(3): definition of "safeguarded rights" repealed (6.4.2009) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), ss. 116, 118(1), Sch. 10 Pt. 2; S.R. 2009/22, art. 2(2)(d) |

Changes to legislation:

There are currently no known outstanding effects for the The Welfare Reform and Pensions (Northern Ireland) Order 1999, Cross Heading: Indexation.