
STATUTORY RULES OF NORTHERN IRELAND

1998 No. 66

PENSIONS

Pensions Increase (Review) Order (Northern Ireland) 1998

Made - - - - - *4th March 1998*

Coming into operation *6th April 1998*

Whereas by virtue of section 132 of the Social Security Administration (Northern Ireland) Act 1992⁽¹⁾ a direction⁽²⁾ has been given by the Department of Health and Social Services that the sums which are the additional pensions in the rate of long-term benefits are to be increased by a specified percentage;

Now, therefore the Department of Finance and Personnel, in exercise of the powers conferred by Article 69(1), (2), (5) and (5ZA) of the Social Security Pensions (Northern Ireland) Order 1975⁽³⁾ and now vested in it⁽⁴⁾ and of every other power enabling it in that behalf, hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Pensions Increase (Review) Order (Northern Ireland) 1998 and shall come into operation on 6th April 1998.

Interpretation

2.—(1) In this Order—

“the Act of 1971” means the Pensions (Increase) Act (Northern Ireland) 1971⁽⁵⁾;

“basic rate” and “derivative pension” have the meanings given by section 15(1)⁽⁶⁾ of the Act of 1971;

“existing Orders” means the Orders referred to in the Schedule;

(1) 1992 c. 8

(2) Contained in S.R. 1998 No. 59

(3) S.I. 1975/1503 (N.I. 15); Art. 69 was amended by S.I. 1979/396 (N.I. 5) Arts. 10(2), 16 and Sch. 3, S.I. 1985/1209 (N.I. 16) Art. 25(2) and Sch. 6, S.I. 1986/1888 (N.I. 18) Arts. 11(8), 19(1)(b), 83(1) and Sch. 9, para. 58, S.I. 1990/1509 (N.I. 13) Arts. 3(7) and 7, by section 4 and paragraph 14(19) of Schedule 2 to the Social Security (Consequential Provisions) (Northern Ireland) Act 1992 (1992 c. 9) and by section 184 of and paragraph 15(1) of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993 (1993 c. 49). Article 69 is modified by Article 69A, which was inserted by Article 10(3) of the Social Security (Northern Ireland) Order 1979 (S.I. 1979/396 (N.I. 5)), and amended by S.I. 1986/1888 (N.I. 18) Art. 11(9) and by section 184 of and paragraph 15(2) of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993

(4) By S.R. 1976 No. 281 Art. 3 and Sch. 1 and S.I. 1982/338 (N.I. 6) Art. 4

(5) 1971 c. 35 (N.I.)

(6) As amended by S.I. 1974/1267 (N.I. 2) Arts. 3(3) and 5(3)(b) and S.I. 1990/1509 (N.I. 13) Art. 3(6)

“official pension” has the meaning given by section 5(1) of the Act of 1971;
 “the Order of 1975” means the Social Security Pensions (Northern Ireland) Order 1975;
 “pension authority” has the meaning given by section 7(1) of the Act of 1971;
 “qualifying condition” means one of the conditions laid down in section 3 of the Act of 1971(7);
 “relevant injury pension”, “substituted pension” and “widow’s pension” have the meanings given by section 15(1) of the Act of 1971.

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

(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.

Increases in certain pensions

3.—(1) The annual rate of an official pension may, if a qualifying condition is satisfied or the pension is a derivative or substituted pension or a relevant injury pension, be increased as set out in paragraphs (2) and (3) by the pension authority in respect of any period beginning on or after 6th April 1998.

(2) A pension beginning before 7th April 1997 may be increased by 3.6 per cent of the basic rate as increased by the amount of any increase under section 1 of the Act of 1971 or the existing Orders.

(3) A pension beginning on or after 7th April 1997 and before 6th April 1998 may be increased by 3.6 per cent multiplied by

$$\frac{A}{B}$$

where

A is the number of complete months in the period between the beginning of the pension and 5th April 1998 and B is 12.

Increase in certain lump sums

4. In respect of any lump sum or installment of a lump sum which became payable before 6th April 1998 but after 6th April 1997 there may be paid an increase of 3.6 per cent of the amount of the lump sum or instalment (as increased by the amount of any increase under section 1 of the Act of 1971 or under the existing Orders) multiplied by

$$\frac{A}{B}$$

where—

a A is the number of complete months in the period between the beginning date for the lump sum (or, if later, 7th April 1997) and the date on which it became payable; and

b B is 12.

Reduction in respect of guaranteed minimum pensions

5. Where—

(7) As amended by S.R. & O. (N.I.) 1972 No. 264. S.I. 1974/1267 (N.I. 2) Art. 5(2) and (3), S.I. 1987/2203 (N.I. 22) Art. 72(3) and Sch. 5 Part I, S.I. 1990/1509 (N.I. 13) Art. 3 and S.I. 1995/3213 (N.I. 22) Art. 163

(8) As amended by S.I. 1990/1509 (N.I. 13) Art. 3(5)

- (a) a person is entitled to a guaranteed minimum pension on 6th April 1998; and
- (b) entitlement to that guaranteed minimum pension arises from an employment from which (either directly or by virtue of the payment of transfer credit) entitlement to the official pension also arises,

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 be reduced by an amount equal to the rate of the guaranteed minimum pension unless the Department of Finance and Personnel⁽⁹⁾ in accordance with the provisions of Article 69A of the Order of 1975, otherwise directs.

6. The amount by reference to which any increase in the rate of a widow's or widower's pension provided for by this Order is to be calculated shall, where the pensioner becomes entitled on the death of the deceased spouse to a guaranteed minimum pension, be reduced in accordance with Article 69(5ZA)⁽¹⁰⁾ of the Order of 1975.

Sealed with the Official Seal of the Department of Finance and Personnel on

L.S.

4th March 1998.

Dorothy Angus
Assistant Secretary

⁽⁹⁾ See S.I. 1982/338 (N.I. 6) Art. 4

⁽¹⁰⁾ Inserted by S.I. 1990/1509 (N.I. 13) Art. 7(1)

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SCHEDULE

Article 2(1)

Existing Orders

- The Pensions Increase (Annual Review) Order (Northern Ireland) 1972**(11)**.
- The Pensions Increase (Annual Review) Order (Northern Ireland) 1973**(12)**.
- The Pensions Increase (Annual Review) Order (Northern Ireland) 1974**(13)**.
- The Pensions Increase (Annual Review) Order (Northern Ireland) 1975**(14)**.
- The Pensions Increase (Annual Review) Order (Northern Ireland) 1976**(15)**.
- The Pensions Increase (Annual Review) Order (Northern Ireland) 1977**(16)**.
- The Pensions Increase (Annual Review) Order (Northern Ireland) 1978**(17)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1979**(18)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1980**(19)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1981**(20)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1982**(21)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1983**(22)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1984**(23)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1985**(24)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1986**(25)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1987**(26)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1988**(27)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1989**(28)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1990**(29)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1991**(30)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1992**(31)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1993**(32)**.
- The Pensions Increase (Review) Order (Northern Ireland) 1994**(33)**.

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- (11)** S.R. & O. (N.I.) 1972 No. 263
 - (12)** S.R. & O. (N.I.) 1973 No. 364
 - (13)** S.R. 1974 No. 296
 - (14)** S.R. 1975 No. 269
 - (15)** S.R. 1976 No. 276
 - (16)** S.R. 1977 No. 277
 - (17)** S.R. 1978 No. 269
 - (18)** S.R. 1979 No. 338
 - (19)** S.R. 1980 No. 364
 - (20)** S.R. 1981 No. 307
 - (21)** S.R. 1982 No. 303
 - (22)** S.R. 1983 No. 289
 - (23)** S.R. 1984 No. 340
 - (24)** S.R. 1985 No. 268
 - (25)** S.R. 1986 No. 213
 - (26)** S.R. 1987 No. 70
 - (27)** S.R. 1988 No. 61
 - (28)** S.R. 1989 No. 72
 - (29)** S.R. 1990 No. 86
 - (30)** S.R. 1991 No. 84
 - (31)** S.R. 1992 No. 69
 - (32)** S.R. 1993 No. 125
 - (33)** S.R. 1994 No. 99

The Pensions Increase (Review) Order (Northern Ireland) 1995⁽³⁴⁾.

The Pensions Increase (Review) Order (Northern Ireland) 1996⁽³⁵⁾.

The Pensions Increase (Review) Order (Northern Ireland) 1997⁽³⁶⁾.

EXPLANATORY NOTE

(This note is not part of the Order.)

Under Article 69 of the Social Security Pensions (Northern Ireland) Order 1975 as amended, and as modified by Article 69A of the Order of 1975, the Department of Finance and Personnel is required to provide by Order for increases in the rates of public service pensions.

The increase to be made in the rates of such pensions is the percentage (or in some circumstances a fraction of the percentage) by which the Department of Health and Social Services has, by virtue of the provisions of section 132 of the Social Security Administration (Northern Ireland) Act 1992, increased the sums which are the additional pensions in long-term benefits, namely the additional pension entitlements accruing to employees in respect of their earnings after 5th April 1978.

For pensions which began before 7th April 1997 the increase is 3.6%.

For pensions which began on or after 7th April 1997 the increases are computed under the formula set out in Article 69(1)(b) of the Order of 1975 and are as follows:—

| <i>Pensions Beginning</i> | <i>Percentage Increase</i> |
|--|----------------------------|
| 7th April 1997 to 21st April 1997 | 3.6% |
| 22nd April 1997 to 21st May 1997 | 3.3% |
| 22nd May 1997 to 21st June 1997 | 3.0% |
| 22nd June 1997 to 21st July 1997 | 2.7% |
| 22nd July 1997 to 21st August 1997 | 2.4% |
| 22nd August 1997 to 21st September 1997 | 2.1% |
| 22nd September 1997 to 21st October 1997 | 1.8% |
| 22nd October 1997 to 21st November 1997 | 1.5% |
| 22nd November 1997 to 21st December 1997 | 1.2% |
| 22nd December 1997 to 21st January 1998 | 0.9% |
| 22nd January 1998 to 21st February 1998 | 0.6% |
| 22nd February 1998 to 21st March 1998 | 0.3% |
| 22nd March 1998 onwards | Nil |

⁽³⁴⁾ S.R. 1995 No. 39

⁽³⁵⁾ S.R. 1996 No. 90

⁽³⁶⁾ S.R. 1997 No. 124

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A deferred lump sum which begins on or before 21st March 1998 and which becomes payable after 5th April 1998 receives the same percentage increase as a pension which begins on the same date.

Article 4 of the Order provides for increases on certain deferred lump sums which became payable after 6th April 1997 and before 5th April 1998.

This Order also provides that the amount by reference to which any increase in the rate of an official pension is to be calculated shall be reduced by an amount equal to the rate of the guaranteed minimum pension entitlement deriving from the employment which gives rise to the official pension. This is required by Article 69(5) of the Social Security Pensions (Northern Ireland) Order 1975 but Article 69A of that Order empowers the Department of Finance and Personnel to direct that in respect of specified cases or classes of case either no such reduction shall be made or the reduction shall be less than the rate of the guaranteed minimum pension. Article 69(5ZA) applies Article 69(5) to a widow's or widower's pension.