
EXPLANATORY NOTE

(This note is not part of the Order.)

Under Article 69 of the Social Security Pensions (Northern Ireland) Order 1975 (“the Order of 1975”) as amended, and as modified by Article 69A of that Order, the Department of Finance and Personnel is required to provide by Order for increases in the rates of public service pensions. Under Article 69(7) of the Order of 1975, Article 69 of that Order has effect as if it were contained in the Pensions (Increase) Act (Northern Ireland) 1971. Section 9(2)(c) of the Act of 1971 provides that references to the ‘rate’ of pension shall have effect as references also to the amount of a lump sum benefit.

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 for Social Development 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 2003 the increase is 2.8%.

For pensions which began on or after 7th April 2003 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 2003 to 27th April 2003	2.8%
28th April 2003 to 27th May 2003	2.57%
28th May 2003 to 27th June 2003	2.33%
28th June 2003 to 27th July 2003	2.10%
28th July 2003 to 27th August 2003	1.87%
28th August 2003 to 27th September 2003	1.63%
28th September 2003 to 27th October 2003	1.40%
28th October 2003 to 27th November 2003	1.17%
28th November 2003 to 27th December 2003	0.93%
28th December 2003 to 27th January 2004	0.70%
28th January 2004 to 27th February 2004	0.47%
28th February 2004 to 27th March 2004	0.23%
28th March 2004 onwards	Nil

Article 4 of the Order provides for increases on certain deferred lump sums which became payable on or after 7th April 2003 and before 12th April 2004.

The Order also makes provision for the amount by reference to which any increase in the rate of an official pension is to be calculated to 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 Order of 1975 but Article 69A of that Order empowers the

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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) of the Order of 1975 applies Article 69(5) to a widow's or widower's pension.