

2010 No. 20

SOCIAL SECURITY

**The Pensions (2008 Act) (Supplementary Provision) Order
(Northern Ireland) 2010**

Made - - - - - *27th January 2010*

Coming into operation - - - - - *6th April 2010*

The Department for Social Development makes the following Order in exercise of the powers conferred by section 19(1) of the Pensions Act (Northern Ireland) 2008(a).

Citation and commencement

1. This Order may be cited as the Pensions (2008 Act) (Supplementary Provision) Order (Northern Ireland) 2010 and shall come into operation on 6th April 2010.

Amendment of the Social Security (Widow's Benefit, Retirement Pensions and Other Benefits) (Transitional) Regulations

2.—(1) The Social Security (Widow's Benefit, Retirement Pensions and Other Benefits) (Transitional) Regulations (Northern Ireland) 1979(b) are amended in accordance with paragraphs (2) to (5).

(2) In regulation 2(1) (interpretation), after the definition of “the Act” insert—

““the Contributions and Benefits Act” means the Social Security Contributions and Benefits (Northern Ireland) Act 1992(c);”.

(3) In regulation 3 (modifications of the Act and the Pensions Order in their application to pre-1975 beneficiaries and pre-1975 contributors)—

- (a) in the heading, for “the Act and the Pensions Order in their” substitute “pensions legislation in its”; and
- (b) for “provisions of the Act and the Pensions Order” substitute “provisions of the Act, the Pensions Order and the Contributions and Benefits Act”.

(4) In regulation 7 (modifications relating to the second contribution condition for widowed mother's allowance, widow's pension and Category A and B retirement pension)—

- (a) in the heading, at the end add “and to the contribution condition for Category A and B retirement pension for those attaining pensionable age on or after 6th April 2010”; and
- (b) in paragraph (1) from “only for the purposes” to the end substitute—
“for the purposes of—

(a) 2008 c. 1 (N.I.)
(b) S.R. 1979 No. 244
(c) 1992 c. 7

- (a) the second contribution condition for a widowed mother's allowance, a widow's pension or a Category A or Category B retirement pension specified in paragraph 5(3) of Schedule 3 to the Contributions and Benefits Act; and
 - (b) the contribution condition for a Category A or Category B retirement pension specified in paragraph 5A(2)(a) of that Schedule.”.
- (5) In regulation 13 (provision relating to treatment of reckonable years)—
- (a) in paragraph (1) for “paragraph 5(2)(b) and 5(3)(b) of Schedule 3 to the Act” substitute “paragraphs 5(2)(b) and (3)(b) and 5A(2)(b) of Schedule 3 to the Contributions and Benefits Act”; and
 - (b) in paragraph (2) for “to the Act” substitute “to the Contributions and Benefits Act or paragraph (b) of the contribution condition specified in paragraph 5A(2) of that Schedule”.

Amendment of the Social Security and Child Support (Decisions and Appeals) Regulations

3. In regulation 26 of the Social Security and Child Support (Decisions and Appeals) Regulations (Northern Ireland) 1999(b) (decisions against which an appeal lies), after paragraph (d) add—

“; or

- (e) under, or by virtue of regulations made under, section 23A of the Contributions and Benefits Act(c) (contributions credits for relevant parents and carers).”.

Amendment of the Social Security (Reduced Rates of Class 1 Contributions, Rebates and Minimum Contributions) Order

4.—(1) The Social Security (Reduced Rates of Class 1 Contributions, Rebates and Minimum Contributions) Order 2006(d) is amended in accordance with paragraphs (2) and (3).

(2) In Article 7 (appropriate age-related percentages for appropriate personal pension schemes)—

- (a) in paragraph (2) for “a relevant tax year” substitute “the tax years 2007-2008, 2008-2009 and 2009-2010”;
- (b) after paragraph (5) insert—
 - “(5A) For the tax years 2010-2011 and 2011-2012, the appropriate age-related percentage in respect of earnings of an earner is determined in accordance with paragraph (5B) or (5C).
 - (5B) If the earnings do not exceed the low earnings threshold, the appropriate age-related percentage is the column B percentage.
 - (5C) If the earnings exceed the low earnings threshold, then—
 - (a) in respect of the part of the earnings that does not exceed the low earnings threshold, the appropriate age-related percentage is the column B percentage; and
 - (b) in respect of the part of the earnings that exceeds the low earnings threshold, the appropriate age-related percentage is the column C percentage.”;

(c) in paragraph (6) omit sub-paragraph (c);

(d) after paragraph (6) insert—

“(6A) For the tax years 2007-2008, 2008-2009 and 2009-2010, in respect of earnings of an earner, the column D percentage is the percentage given in column D of the appropriate

(a) Paragraph 5A was inserted by section 1(3) of the Pensions Act (Northern Ireland) 2008
 (b) S.R. 1999 No. 162; paragraph (d) was added by regulation 4(b) of S.R. 2001 No. 120
 (c) Section 23A was inserted by section 3(1) of the Pensions Act (Northern Ireland) 2008
 (d) S.I. 2006/1009; as amended by S.I. 2009/3094

table by reference to the age of the earner on the day immediately before the start of that tax year.”.

(3) In Schedules 5 and 6 (appropriate age-related percentages for appropriate personal pension schemes for the tax years 2010-2011 and 2011-2012), in so far as they relate to Article 7—

- (a) in column C omit “but not exceeding upper earnings threshold”;
- (b) omit column D.

Sealed with the Official Seal of the Department for Social Development on 27th January 2010
(L.S.)

Anne McCleary
A senior officer of the Department for Social Development

EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes provision which is supplementary on sections 1 and 3 of the Pensions Act (Northern Ireland) 2008 (“the 2008 Act”) which inserted, respectively, paragraph 5A of Schedule 3 to, and section 23A of, the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (“the 1992 Act”). Paragraph 5A of Schedule 3 provides for a new single contribution for entitlement to State Pension. Section 23A provides for the award of contributions credits for parents and carers.

It also makes provision which is supplementary to, and in consequence of, amendments made by section 8 of the 2008 Act which change the rules for calculating the State Second Pension.

Article 1 provides for citation and commencement.

Article 2 amends the Social Security (Widow’s Benefit, Retirement Pensions and Other Benefits) (Transitional) Regulations (Northern Ireland) 1979 to ensure that the paid and credited contributions of persons who attain pensionable age after 5th April 2010 who were insured under the National Insurance Act (Northern Ireland) 1966 are taken into account for the purpose of satisfying the new single contribution condition for a Category A or Category B State Pension.

Article 3 amends the Social Security and Child Support (Decisions and Appeals) Regulations (Northern Ireland) 1999 to provide a right of appeal to a tribunal constituted under Chapter 1 of Part 2 of the Social Security (Northern Ireland) Order 1998 against decisions made under, or by virtue of regulations made under, section 23A of the 1992 Act.

Article 4 amends Article 7 of, and Schedules 5 and 6 to, the Social Security (Reduced Rates of Class 1 Contributions, Rebates and Minimum Contributions) Order 2006. It replaces some of the amounts used in determining the age-related percentages for the tax years 2010-2011 and 2011-2012. Those provisions specify the appropriate age-related percentages of earnings payable as minimum contributions in respect of members of appropriate personal pension schemes. Age-related percentages are used to determine the amount of Class 1 National Insurance contributions which are paid into a pension scheme for persons who contract out of the state second pension.

An assessment of the impact of the reform and simplification of the State Pension is included in the Regulatory Impact Assessment which accompanied the 2008 Act, a copy of which has been laid in the Business Office and the Library of the Northern Ireland Assembly. Copies of that assessment are available from the Department for Social Development, Social Security Policy and Legislation Division, Level 1, James House, Gasworks Business Park, 2-4 Cromac Avenue, Ormeau Road, Belfast BT7 2JA or from the website: <http://www.dsdni.gov.uk/index/ssa/ssani-publications/ssani-pensions-publications.htm>

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