

2016 No. 419

SOCIAL SECURITY

**The State Pension Revaluation for Transitional Pensions Order
(Northern Ireland) 2016**

Made - - - - 1st December 2016

Coming into operation in accordance with Article 1

This Order is made in exercise of the powers conferred by sections 130AC and 165(1) and (4) of the Social Security Administration (Northern Ireland) Act 1992(a) and now vested in the Department for Communities(b).

The Secretary of State for Work and Pensions has made an Order(c) under section 148AC(3) of the Social Security Administration Act 1992(d).

Accordingly the Department for Communities makes the following Order.

Citation, commencement and interpretation

1.—(1) This Order may be cited as the State Pension Revaluation for Transitional Pensions Order (Northern Ireland) 2016 and shall come into operation on—

- (a) 22nd December 2016 for the purpose of making an award on a claim for a state pension under regulation 15(1) of the Social Security (Claims and Payments) Regulations (Northern Ireland) 1987(e) (advance notice of retirement and claim for and award of pension) to a person who reaches pensionable age on or after 10th April 2017; and
- (b) 9th April 2017 for all other purposes.

(2) In this Article a “state pension” means a state pension under Part 1 of the Pensions Act (Northern Ireland) 2015.

Revaluing percentage for transitional pensions

2. For the purposes of section 130AC(2) of the Social Security Administration (Northern Ireland) Act 1992 (revaluation for transitional pensions under Pensions Act (Northern Ireland) 2015), the percentage specified is 1.0 per cent.

(a) 1992 c. 8; section 130AC was inserted by paragraph 16 of Schedule 12 to the Pensions Act (Northern Ireland) 2015 (c. 5 (N.I.)) and section 165(1) was amended by paragraph 49(2) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671) and section 18(5) of the National Insurance Contributions Act 2014 (c. 7)

(b) See Article 8(b) of S.R. 1999 No. 481 and section 1(7) of the Departments Act (Northern Ireland) 2016 (c. 5 (N.I.))

(c) S.I. 2016/1141

(d) 1992 c. 5; Section 148AC was inserted by paragraph 17 of Schedule 12 to the Pensions Act 2014 (c. 19)

(e) S.R. 1987 No. 465; regulation 15(1) was amended by regulation 2(6) of S.R. 2005 No. 299 and Article 9(7) of S.R. 2015 No. 411

Sealed with the Official Seal of the Department for Communities on 1st December 2016

(L.S.)

Anne McCleary

A senior officer of the Department for Communities

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which corresponds to an Order (S.I. 2016/1141) made by the Secretary of State for Work and Pensions under section 148AC of the Social Security Administration Act 1992 (c. 5), specifies 1 per cent as the percentage to be used as the revaluing percentage for a “protected payment” under the new state pension. This is the first time the power to make the Order has been used.

The Pensions Act (Northern Ireland) 2015 (c. 5 (N.I.)) (“the 2015 Act”) created a new state pension for people reaching pensionable age on or after 6th April 2016 (see Part 1 of that Act). Pensionable age has the meaning given by the rules in paragraph 1 of Schedule 2 to the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)). The part of a person’s new state pension based on their pre-April 2016 contribution record that exceeds the full rate of the new state pension as at 6th April 2016 is commonly referred to as a ‘protected payment’. Paragraph 6(5) of Schedule 1 to the 2015 Act provides for the revaluing of ‘protected payments’ by increasing these payments by the ‘revaluing percentage’.

The Order applies for the purposes of calculating the new state pension of people reaching state pension age on or after 10th April 2017.

Article 1(1)(a) brings this Order into operation on 22nd December 2016 for the purpose of making an advance award of state pension under regulation 15 of the Social Security (Claims and Payments) Regulations (Northern Ireland) 1987. This means that an advance award of state pension can be made to claimants who reach pensionable age on or after 10th April 2017 which takes account of the revaluation of their pension.

Article 1(1)(b) brings the Order into operation for all other purposes on 9th April 2017. A claimant’s protected payment is revalued by the revaluing percentage specified in the last Order to come into operation before they reach pensionable age. To apply to claimants reaching pensionable age on or after 10th April 2017, the Order therefore needs to come into operation on 9th April 2017.

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