

2017 No. 53

SOCIAL SECURITY

**The Social Security Revaluation of Earnings Factors Order
(Northern Ireland) 2017**

Made - - - - - *14th March 2017*

Coming into operation - - - - - *6th April 2017*

This Order is made in exercise of the powers conferred by sections 130 and 165(1), (4) and (5) 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 148 of the Social Security Administration Act 1992(d).

Accordingly the Department for Communities makes the following Order.

Citation and commencement

1. This Order may be cited as the Social Security Revaluation of Earnings Factors Order (Northern Ireland) 2017 and shall come into operation on 6th April 2017.

(a) 1992 c. 8; section 130 was amended by paragraph 40 of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993 (c. 49) and Article 125(3) of the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) subject to paragraphs (4) to (6) of that Article; 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. 2017/287

(d) 1992 c. 5

Revaluation of earnings factors

2. The earnings factors(a) for the tax years specified in the first column of the Schedule in so far as they are relevant—

- (a) to the calculation—
 - (i) of the additional pension in the rate of any long-term benefit, or
 - (ii) of any guaranteed minimum pension(b), or
- (b) to any other calculation required under Part III of the Pension Schemes (Northern Ireland) Act 1993(c) (including that Part as modified by or under any other enactment),

are directed to be increased for those tax years by the percentage of their amount shown opposite those tax years in the second column of the Schedule.

Rounding of fractional amounts

3. Where any earnings factor relevant to the calculation specified in Article 2(a)(i), as increased in accordance with this Order, would not but for this Article be expressed as a whole number of pounds, it shall be so expressed by the rounding down of any fraction of a pound less than one half and the rounding up of any other fraction of a pound.

Sealed with the Official Seal of the Department for Communities on 14th March 2017

(L.S.)

Andrew Hamilton
A senior officer of the Department for Communities

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- (a) *See* sections 22 and 23 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7) (“the 1992 Act”). Section 22 was amended by paragraph 5 of Schedule 2 to the Jobseekers (Northern Ireland) Order 1995 (S.I. 1995/2705 (N.I. 15)), paragraph 43 of Schedule 6 to the Social Security (Northern Ireland) Order 1998 (S.I. 1998/1506 (N.I. 10)), section 29(1) of the Child Support, Pensions and Social Security Act (Northern Ireland) 2000 (c. 4 (N.I.)), paragraph 26 of Schedule 1 to the National Insurance Contributions Act 2002 (c. 19), subject to section 8(2) of that Act, paragraph 3(3) and (4) of Schedule 3 to the Welfare Reform Act (Northern Ireland) 2007 (c. 2 (N.I.)), section 10(1) of, and paragraphs 9 and 30 of Schedule 1 to, the Pensions Act (Northern Ireland) 2008 (c. 1 (N.I.)), section 102(2) of, and paragraph 2 of Schedule 7 to, the Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13 (N.I.)), and is amended by paragraph 6 of Schedule 12 to the Pensions Act (Northern Ireland) 2015 (c. 5 (N.I.)). Section 23 was amended by paragraph 31 of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993, Article 131(1) of the Pensions (Northern Ireland) Order 1995, paragraph 27 of Schedule 1 to the National Insurance Contributions Act 2002, subject to section 8(2) of that Act, and paragraph 3 of Schedule 7 to the Pensions (No. 2) Act (Northern Ireland) 2008. *See also* paragraphs 4(2), 8(4) and 9(4) of Schedule 4B to the 1992 Act under which flat rate accrual amounts of additional state pension are to be increased by reference to the percentage figure specified for 2015-16 under section 130 of the Social Security Administration (Northern Ireland) Act 1992. *See also* paragraphs 2(6) of Schedule 8 and 2(6) of Schedule 10 to the Pensions Act (Northern Ireland) 2015, under which old state scheme pension debits and credits are to be increased by reference to percentage figures specified in orders under section 130 of the Social Security Administration (Northern Ireland) Act 1992.
 - (b) Earnings factors for any tax year after 1996-1997 are not relevant to the calculation of any guaranteed minimum; *see* section 10(8) of the Pension Schemes (Northern Ireland) Act 1993 as amended by paragraph 20(b) of Schedule 3 to the Pensions (Northern Ireland) Order 1995; *see also* Article 2(h) of S.R. 1996 No. 91 (C. 4) for the meaning of “principal appointed day”
 - (c) 1993 c. 49

SCHEDULE

Article 2

Percentage increase of earnings factor for specified tax years

<i>Tax Year</i>	<i>Percentage</i>
1978 - 1979	794.1
1979 - 1980	689.2
1980 - 1981	559.3
1981 - 1982	452.2
1982 - 1983	401.5
1983 - 1984	365.7
1984 - 1985	331.2
1985 - 1986	304.5
1986 - 1987	271.4
1987 - 1988	245.8
1988 - 1989	218.1
1989 - 1990	187.1
1990 - 1991	167.6
1991 - 1992	143.0
1992 - 1993	128.2
1993 - 1994	117.3
1994 - 1995	110.8
1995 - 1996	101.9
1996 - 1997	96.4
1997 - 1998	87.1
1998 - 1999	78.8
1999 - 2000	71.6
2000 - 2001	61.5
2001 - 2002	55.3
2002 - 2003	48.9
2003 - 2004	43.7
2004 - 2005	38.4
2005 - 2006	33.0
2006 - 2007	28.6
2007 - 2008	23.5
2008 - 2009	18.6
2009 - 2010	15.0
2010 - 2011	13.6
2011 - 2012	11.1
2012 - 2013	9.1
2013 - 2014	7.2
2014 - 2015	6.2
2015 - 2016	4.7
2016 - 2017	2.6

EXPLANATORY NOTE

(This note is not part of the Order)

This Order corresponds to an Order (S.I. 2017/287) made by the Secretary of State for Work and Pensions under section 148 of the Social Security Administration Act 1992. It directs that the earnings factors relevant to the calculation of additional pension in any long-term benefit (in practice, now relevant only to the calculation of inherited additional pension), or of any guaranteed minimum pension, or to any other calculation required under Part III of the Pension Schemes (Northern Ireland) Act 1993 are to be increased for the tax years specified in the Schedule to this Order by the percentage of their amount specified in that Schedule.

The percentages for the tax years from and including 2000 - 2001 are also relevant for the purpose of revaluing state scheme pension debits and credits in accordance with sections 13 and 14 of, and paragraphs 2(6) of Schedule 8 and 2(6) of Schedule 10 to, the Pensions Act (Northern Ireland) 2015 (c.5 (N.I.)). The percentage specified for 2015 - 2016 is used to increase flat rate accrual amounts of additional pension in accordance with paragraphs 4(2), 8(4) and 9(4) of Schedule 4B of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 ("the 1992 Act").

The percentage specified for the tax year 2016 - 2017 is 2.6 per cent. The percentages for earlier tax years have been increased so that the earnings factors for those years are revalued at 2016 - 2017 earning levels. For the tax year 2016 - 2017, the percentage specified in this Order is only relevant for the revaluation of state scheme debits and credits. This is because accruals of additional pension ended with the introduction of the new state pension on 6th April 2016, and it is not necessary to specify a percentage for calculations under Part III of the Pension Schemes Act 1993 for tax years after 2015 - 2016.

This Order also provides for the rounding of fractional amounts for earnings factors relevant to the calculation of the additional pension in the rate of any long-term benefit. Rounding for the purpose of the calculation of any guaranteed minimum pension is not required by virtue of section 23(2) of the 1992 Act.

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