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STATUTORY RULES OF NORTHERN IRELAND

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**2017 No. 64**

**PENSIONS**

**The Pensions Increase (Review) Order (Northern Ireland) 2017**

*Made* - - - - *16th March 2017*

*Coming into operation* *10th April 2017*

In accordance with section 132 of the Social Security Administration (Northern Ireland) Act 1992<sup>(1)</sup> the Department for Communities<sup>(2)</sup> has given a direction<sup>(3)</sup> that the sums which are the additional pensions in long-term benefits are to be increased by a specified percentage.

The Department of Finance now makes the following Order in exercise of the powers conferred by Article 69(1), (2), (5) and (5ZA) of the Social Security Pensions (Northern Ireland) Order 1975<sup>(4)</sup> and now vested in it<sup>(5)</sup>.

**Citation and commencement**

1. This Order may be cited as the Pensions Increase (Review) Order (Northern Ireland) 2017 and shall come into operation on 10th April 2017.

**Interpretation**

2.—(1) In this Order, “the 1975 Order” means the Social Security Pensions (Northern Ireland) Order 1975.

(2) In this Order, any reference to a pension is a reference to a pension which began before 10th April 2017<sup>(6)</sup>.

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- (1) 1992 c. 8
- (2) See S.R. 1999 No. 481 Art. 8(b) and Schedule 6 Part II. The Department for Social Development was renamed the Department for Communities by section 1 of the Departments Act (Northern Ireland) 2016 (2016 c. 5 (N.I.)).
- (3) Contained in S.R. 2017 No. 56. This direction corresponds to the direction given by the Secretary of State for Work and Pensions under section 150 of the Social Security Administration Act 1992 (c.5)
- (4) 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. Art. 69(5ZA) is amended by the Pensions (No.2) Act (NI) 2008 (c.13), section 110 and sch. 10 part 5, Arts 69(5ZB) and (5ZC) are added by 2008 c. 13 (N.I.) section 110.
- (5) By S.R. 1976 No. 281 Art. 3 and Sch. 1, S.I. 1982/338 (N.I. 6) Art 3 and 4, and 2016 c. 5 (N.I.).
- (6) By virtue of article 69(7) of the Social Security Pensions (Northern Ireland) Order 1975, sections 69 and 69A of that Order have effect as if they were contained in Part I of the Pensions (Increase) Act (Northern Ireland) 1971 (c.35(NI)). Consequently,

### **Pension increases: annual rate and lump sums**

3.—(1) This article applies to an official pension if—

- (a) a qualifying condition is satisfied; or
- (b) the pension is—
  - (i) a derivative pension,
  - (ii) a substituted pension or,
  - (iii) a relevant injury pension.

(2) In relation to any period on or after 10th April 2017, the pension authority may increase the annual rate<sup>(7)</sup> of the pension—

- (a) for a pension which began before 11th April 2016, by 1 per cent;
- (b) for a pension which began on or after 11th April 2016, by 1 per cent multiplied by—

$$\frac{A}{12}$$

where A is the number of complete months in the period between the beginning date of the pension and 10th April 2017.

(3) In relation to a lump sum which is payable on or after 11th April 2016 but before 10th April 2017, the pension authority may increase the lump sum by 1.0 per cent multiplied by—

$$\frac{A}{12}$$

where A is the number of complete months in the period between the beginning date for the lump sum (or, if later, 11th April 2016) and the date on which it became payable.

### **Reductions in respect of guaranteed minimum pensions**

4.—(1) Where—

- (a) a person is entitled to a guaranteed minimum pension increase on 10th April 2017, and
- (b) entitlement to that guaranteed minimum pension arises from an employment from which (either directly, or indirectly by virtue of the payment of a transfer credit) entitlement to the official pension also arises,

the amount by reference to which any increase is calculated for the purposes of article 3(2) must be reduced by an amount equal to the rate of the guaranteed minimum pension unless the Department of Finance otherwise directs in accordance with the provisions of Article 69A<sup>(8)</sup> of the 1975 Order<sup>(9)</sup>.

(2) Where on the death of a deceased spouse or civil partner a person becomes entitled to a guaranteed minimum pension in relation to a surviving spouse's pension or a surviving civil partner's

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for the purposes of section 33 of the Interpretation Act (Northern Ireland) 1954 (c. 33)(NI) the following expressions used in this Order have the meaning which they bear in section 69 of the Social Security Pensions (Northern Ireland) Order 1975 and the Pensions (Increase) Act (Northern Ireland) 1971: beginning date, complete months, derivative pension, lump sum, official pension, pension authority, qualifying condition, relevant injury pension and substituted pension. Section 8(2) of the Pensions (Increase) Act (Northern Ireland) 1971 also makes provision about when a pension begins for the purposes of that Act.

(7) Section 69(5) of the Social Security Pensions (Northern Ireland) Order 1975 provides that the increases in the rate of a pension are to be calculated by reference to the basic rate of the pension as authorised to be increased by section 1 of the Pensions (Increase) Act (Northern Ireland) 1971 or by any order under section 2 of that Act or section 69 of the Social Security Pensions (Northern Ireland) Order 1975.

(8) Inserted by S.I. 1979/396 (N.I. 5) Art. 10 and amended by S.I. 1986/1888 (N.I. 18) Art. 11(9) and 1993 c. 49 section 184 and paragraph 15(2) of sch. 7

(9) By S.R. 1976 No. 281 Art. 3 and Sch. 1, S.I. 1982/338 (N.I. 6) Art 3 and 4, and 2016 c.5 (N.I.)

pension, the amount by reference to which any increase is calculated for the purposes of article 3(2) must be reduced in accordance with Article 69 (5ZA)(10) of the 1975 Order.

Sealed with the Official Seal of the Department of Finance on 16th March 2017



*Emer Morelli*  
A senior officer of the  
Department of Finance

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

Under section 69 of the Social Security Pensions (Increase) Act (Northern Ireland) 1975 (c.15), the Department of Finance has to provide, by Order, for the increase in the rates of public service pensions. The Pensions (Increase) Act (Northern Ireland) 1971 (c.35) defines certain terms and sets out when the pension “begins” (the day after the last day of service in respect of which the pension is payable) and how the increase applies to lump sums.

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 Communities has, by direction under section 132 of the Social Security Administration (Northern Ireland) Act 1992 (c.8), 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 11th April 2016 the increase is 1 per cent.

For pensions which began on or after 11th April 2016 the increases (following the calculation set out in article 3) are as follows:—

<i>Pensions Beginning</i>	<i>Percentage Increase</i>
11th April 2016 to 25th April 2016	1.0%
26th April 2016 to 25th May 2016	0.92%
26th May 2016 to 25th June 2016	0.83%
26th June 2016 to 25th July 2016	0.75%
26th July 2016 to 25th August 2016	0.67%
26th August 2016 to 25th September 2016	0.58%
26th September 2016 to 25th October 2016	0.5%
26th October 2016 to 25th November 2016	0.42%
26th November 2016 to 25th December 2016	0.33%
26th December 2016 to 25th January 2017	0.25%
26th January 2017 to 25th February 2017	0.17%
26th February 2017 to 25th March 2017	0.08%

Article 3 of the Order provides for increases on certain deferred lump sums which became payable on or after 11th April 2016 and before 10th April 2017.

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.