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DRAFT STATUTORY INSTRUMENTS

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**2011 No.**

**The Social Security Benefits Up-rating Order 2011**

**PART 2**

**SOCIAL SECURITY BENEFITS AND PENSIONS**

**Increase in rates or amounts of certain pensions and allowances under the Contributions and Benefits Act**

4.—(1) The sums specified in paragraphs (2) to (5) shall be increased from and including the respective dates specified in article 6.

(2) The sums falling to be calculated under paragraph 13(4) of Schedule 7 to the Contributions and Benefits Act (calculation of weekly rate of a beneficiary's retirement allowance) shall be increased by 3.1 per cent.

(3) In section 44(4) of the Contributions and Benefits Act<sup>(1)</sup> (basic pension in a Category A retirement pension)—

- (a) for “£87.75” substitute “£90.45”; and
- (b) for “£97.65” substitute “£102.15”.

(4) It is directed<sup>(2)</sup> that the sums which are—

- (a) additional pensions in long-term benefits calculated by reference to any final relevant year earlier than the tax year 2010-2011;
- (b) increases in the rates of retirement pensions under Schedule 5 to the Contributions and Benefits Act<sup>(3)</sup> (pension increase or lump sum where entitlement to retirement pension is deferred);
- (c) lump sums to which surviving spouses or civil partners will become entitled under paragraph 7A of that Schedule<sup>(4)</sup> on becoming entitled to a Category A or Category B retirement pension (entitlement to lump sum where pensioner's deceased spouse or civil partner has deferred entitlement); and
- (d) payable to a pensioner as part of their Category A or Category B retirement pension by virtue of an order made under section 126A of the Social Security Act 1975<sup>(5)</sup>, section 63 of the Social Security Act 1986<sup>(6)</sup> or section 150(1)(e) of the Administration Act,

shall in each case be increased by 3.1 per cent.

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(1) Section 44(4) was substituted by section 68 of the 1998 Act.

(2) See section 151(1) of the Administration Act.

(3) Schedule 5 was amended by paragraph 42 of Schedule 8 to the 1993 Act, paragraph 40 of Schedule 1 to the 1994 Act, paragraphs 6 and 21 of Schedule 4, and Schedule 7, to the Pensions Act 1995, section 39 of the Child Support, Pensions and Social Security Act 2000 (c. 19) (“the 2000 Act”), Schedule 6 to the Tax Credits Act, paragraphs 2 to 14 of Schedule 11 to the Pensions Act 2004 (c. 35), paragraphs 19 and 20 of Schedule 1, and Schedule 7, to the Pensions Act 2007 and S.I. 2005/2053.

(4) Paragraph 7A was inserted by paragraph 11 of Schedule 11 to the Pensions Act 2004 and amended by paragraph 5(11) of the Schedule to S.I. 2005/2053.

(5) 1975 c. 14; section 126A was inserted by section 12 of the Social Security Act 1979 (c. 18) and repealed by section 86 of, and Schedule 11 to, the Social Security Act 1986 (c. 50).

(6) Section 63 was repealed by Schedule 1 to the Social Security (Consequential Provisions) Act 1992 (c. 6).

(5) The sums which, under—

- (a) section 55A of the Contributions and Benefits Act<sup>(7)</sup>, are shared additional pensions; and
- (b) paragraph 2 of Schedule 5A to the Contributions and Benefits Act<sup>(8)</sup>, are increases in the rates of such pensions,

shall in each case be increased by 3.1 per cent.

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(7) Section 55A was inserted by paragraph 3 of Schedule 6 to the 1999 Act and amended by section 41(3) of the 2000 Act.

(8) Schedule 5A was inserted by paragraph 15 of Schedule 11 to the Pensions Act 2004.