



# Pensions (Increase) Act 1974

## CHAPTER 9

### ARRANGEMENT OF SECTIONS

#### Section

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SCHEDULE—Percentage increases of basic rates of pensions.

**ELIZABETH II**



# Pensions (Increase) Act 1974

## 1974 CHAPTER 9

An Act to provide for increases of certain official pensions and to amend the Pensions (Increase) Act 1971; and for purposes connected therewith. [8th February 1974]

**B**E IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1.—(1) The rate which apart from this Act is the basic rate of an official pension of a class prescribed for the purposes of this subsection and beginning—

Increases of  
certain  
official  
pensions.

(a) after 1st January 1973; and

(b) in the case of a pension beginning after 6th November 1974, before the first anniversary of the relevant date for the pension,

may be increased by the pension authority, in respect of any period beginning on or after 1st December 1973, by a percentage of the said basic rate ascertained in accordance with the following subsection.

(2) The said percentage in respect of any pension is that which is specified in relation to a pension beginning when the pension in question begins—

(a) in Part I of the Schedule to this Act in the case of a pension to which this paragraph applies; and

(b) in Part II of that Schedule in any other case;

and paragraph (a) of this subsection applies to pensions specified in regulations as pensions as respects which, in the opinion of the Minister making the regulations, increases in the emoluments

relevant for the purpose of calculating the pensions were deferred during the period beginning with 6th November 1972 and ending with 31st March 1973 in consequence of provisions of the Counter-Inflation (Temporary Provisions) Act 1972.

1972 c. 74. (3) In section 17(1) of the Pensions (Increase) Act 1971 (which among other things provides that for the purposes of that Act the expression " basic rate " means the annual rate of a pension apart from any increase which is attributable to that Act or an enactment repealed by that Act or which corresponds to such an increase) at the end of the definition of " basic rate " there shall be inserted the words " but including any increase in the said annual rate in consequence of the Pensions (Increase) Act 1974 ".

1971 c. 56. (4) Regulations may provide that this Act (except this subsection and section 3) shall have effect, in relation to any official pension of a class prescribed for the purposes of this subsection, with prescribed additions, amendments and omissions.

Provisions supplementary to s. 1. 2.—(1) Where a pension authority has power by virtue of the preceding section to increase any pension specified in Part II of Schedule 2 to the Act of 1971 (which relates to pensions out of local funds), excluding any such periodical payments and annuities as are mentioned in section 9(7A) and (8) of that Act (which relate to payments in respect of certain local government service), it shall be the duty of the authority to exercise the power.

1972 c. 11. (2) Section 7(2) and (3) of the Act of 1971, paragraph 1 (except sub-paragraph (4)) and paragraphs 2 and 3 of Schedule 3 to that Act and section 7(3) of the Superannuation Act 1972 (which among other things relate to the manner in which certain increases under the Act of 1971 are to be paid or borne and in which the cost of them is to be apportioned) shall have effect as if references to the Act of 1971, except the first reference in section 7(2) of that Act, included references to this Act.

(3) In paragraph 4 of Schedule 3 to the Act of 1971 (which provides that references to the Pensions (Increase) Acts 1920 to 1969 in certain regulations relating to the superannuation of re-employed teachers shall have effect, in relation to any period after 31st August 1971, as references to Part I of the Act of 1971) after the words " Part I of this Act " there shall be inserted the words " and, in relation to any period after 30th November 1973, as a reference to the said Part I and the Pensions (Increase) Act 1974 ".

(4) Regulations may provide that, in relation to any pensions specified in the regulations, functions of the pension authority under this Act shall be performed on behalf of the pension authority by such other authority as is so specified.

(5) In calculating the rate of any derivative pension any increase under this Act of the principal pension shall be disregarded.

3.—(1) In section 2(2)(b) of the Act of 1971 (which, as Amendments amended by section 25 of the Superannuation Act 1972, provides for increases of pensions beginning during the first review period which ended with 30th June 1972 and during the subsequent review periods there mentioned), in sub-paragraph (iii) (which relates to pensions beginning in the three months ending with 1st July 1972) after the word “ending” there shall be inserted and be deemed always to have been inserted the words “in the case of the first review period”.

(2) In section 3(3)(b) and (6) of the Act of 1971 (which among other things provide for increases in pursuance of that Act in respect of persons who have not attained the age of sixteen) for the word “sixteen” there shall be substituted the word “seventeen”.

(3) Subsection (4) of section 3 of the Act of 1971 (which provides that an increase in pursuance of that Act of a widow’s pension shall not be payable unless a qualifying condition mentioned in that subsection is satisfied) shall cease to have effect, and accordingly—

- (a) in sections 1(1), 2(1), 3(1) and 6(5) and (6) of that Act, Article 3(1) of the Pensions Increase (Annual Review) Order 1972, Article 3 (1) of the Pensions Increase (Annual Review) Order 1973 and the Schedules to those Orders, after the words “is satisfied” there shall be inserted the words “or the pension is a widow’s pension”; and
- (b) at the end of section 17(1) of that Act there shall be inserted the words “‘widow’s pension’ means a pension payable in respect of the services of the pensioner’s deceased husband”;

but nothing in this subsection affects any increase which became payable before the passing of this Act and no increase shall be payable by virtue of this subsection in respect of any period before 1st December 1974.

(4) The following amendments of the Act of 1971 shall come into force on 16th May 1975, namely—

- (a) at the end of subsection (3) of section 13 (which empowers the Minister for the Civil Service to make regulations empowering or requiring a local authority to provide certain benefits for persons employed by

that or, in certain circumstances, another local authority who are subject to certain superannuation schemes) there shall be inserted the words—

“ In this subsection the reference to another local authority shall include a reference to any county council, town council or district council and any other authority to whom section 270 of the Local Government (Scotland) Act 1947 applied.”;

- (b) in Schedule 3, in paragraph 6(1), for paragraph (b) (which defines “local authority” in relation to Scotland) there shall be substituted the following paragraph—

“ (b) in Scotland any regional, islands or district council.”;

- (c) in Schedule 3, at the end of paragraph 6(2) (which provides that references in that Act to a local authority shall apply also to certain other bodies) there shall be inserted the words “ ; and

“ (d) in Scotland to any water development board within the meaning of the Water (Scotland) Act 1967 and to any river purification board established under the Local Government (Scotland) Act 1973.”;

- (d) in Schedule 3, in paragraph 7(1) (which defines “local government service” for the purposes of that Act) after the words “any local authority” there shall be inserted the words “ , any county council, town council or district council and any other authority to whom section 270 of the Local Government (Scotland) Act 1947 applied ”.

#### **4.—(1) In this Act—**

“ the Act of 1971 ” means the Pensions (Increase) Act 1971 ;

“ prescribed ” means prescribed by regulations ;

“ regulations ” means regulations made by the Minister for the Civil Service or made with the consent of the said Minister by the Lord Chancellor or the Secretary of State ; and

“ the relevant date ”, in relation to a pension, means—

(a) such date as may be specified in regulations as that on which, in the opinion of the Minister making the regulations, the emoluments relevant for the purpose of calculating the pension were, or are expected to be, increased by the principal pay increase made or expected to be made, during the year ending with 6th November 1974, in accord-

ance with the code in force under section 2 of the Counter-Inflation Act 1973 at the time of the 1973 c. 9. increase ; or

(b) if on 7th November 1974 no date is specified in respect of the pension in pursuance of the preceding paragraph, 6th November 1974 ;

and other expressions used in this Act and the Act of 1971 have the same meanings in this Act as in that Act except that references to a pension in this Act do not include payments other than periodical payments.

(2) A pension as to which it is provided in pursuance of section 5(2) of the Act of 1971 that that Act shall have effect as if the pension were specified in a particular Part of Schedule 2 to that Act shall be deemed for the purposes of this Act to be specified in that Part of that Schedule.

(3) Any power to make regulations conferred by this Act—

(a) includes power to make different provision for different circumstances and to provide for the regulations to have effect from a date before the making of the regulations (whether before or after the passing of this Act) ; and

(b) shall be exercisable by statutory instrument ;

and any statutory instrument made by virtue of this subsection shall be subject to annulment in pursuance of a resolution of either House of Parliament.

5. There shall be defrayed out of money provided by Expenses. Parliament—

(a) any expenditure incurred by a government department by virtue of this Act ; and

(b) any increase attributable to any provision of this Act in the sums payable under any other Act out of money so provided.

6.—(1) This Act may be cited as the Pensions (Increase) Act 1974. Short title  
and extent.

(2) This Act extends to Great Britain only except that it extends—

(a) to Northern Ireland in relation to pensions payable, by virtue of any other Act extending to Northern Ireland, out of the Consolidated Fund of the United Kingdom or money provided by Parliament ; and

(b) to Northern Ireland, the Isle of Man and the Channel Islands in relation to pensions payable by the trustees of a trustee savings bank or by the Inspection Committee of trustee savings banks.

## Section 1(2).

**S C H E D U L E****PERCENTAGE INCREASES OF BASIC RATES OF PENSIONS****PART I****PENSIONS RELATED TO EMOLUMENTS OF WHICH INCREASES  
WERE DEFERRED**

<i>Beginning date of pension</i>	<i>Number of per cent</i>
1. Before 2nd April 1973 ... ... ...	4·1
2. After 1st April 1973 and before 2nd May 1973 ... ... ... ...	3·7
3. After 1st May 1973 and before 2nd June 1973 ... ... ... ...	3·4
4. After 1st June 1973 and before 2nd July 1973 ... ... ... ...	3·0
5. After 1st July 1973 and before 1st April 1974 ... ... ... ...	The number calculated in accordance with paragraph 17 of this Schedule
6. After 31st March 1974 and on or before the relevant date for the pension ...	6·1
7. After both 31st March 1974 and the relevant date for the pension ...	The number calculated in accordance with paragraph 18 of this Schedule

**PART II****OTHER PENSIONS**

8. Before 2nd February 1973 ... ...	3·7
9. After 1st February 1973 and before 2nd March 1973 ... ... ...	3·4
10. After 1st March 1973 and before 2nd April 1973 ... ... ...	3·0
11. After 1st April 1973 and before 2nd May 1973 ... ... ... ...	2·7
12. After 1st May 1973 and before 2nd June 1973 ... ... ... ...	2·4
13. After 1st June 1973 and before 2nd July 1973 ... ... ... ...	2·0
14. After 1st July 1973 and before 1st January 1974 ... ... ... ...	The number calculated in accordance with paragraph 19 of this Schedule

<i>Beginning date of pension</i>	<i>Number of per cent</i>
15. After 31st December 1973 and on or before the relevant date for the pension	6·1
16. After both 31st December 1973 and the relevant date for the pension ... ...	The number calculated in accordance with paragraph 18 of this Schedule

### PART III

#### CALCULATION OF NUMBERS MENTIONED IN PARAGRAPHS 5, 7, 14 AND 16 ABOVE

17. The number mentioned in paragraph 5 of this Schedule is that produced by dividing by 12 the sum of 10·4 multiplied by the number specified in sub-paragraph (a) of this paragraph and 6·1 multiplied by the number specified in sub-paragraph (b) of this paragraph, namely—

- (a) the number of complete months in the period beginning with the date of which the date when the pension begins is the first anniversary and ending with 31st March 1973; and
- (b) the number of complete months in the period beginning with 1st April 1973 and ending either with the day preceding that on which the pension begins or with the day preceding the relevant date for the pension, whichever is the earlier;

and for the purposes of sub-paragraph (b) of this paragraph any fraction of a month shall be treated as a complete month.

18. The number mentioned in paragraph 7 and paragraph 16 of this Schedule is that produced by dividing by 12 the product of 6·1 and the number of complete months in the period beginning with the date when the pension begins and ending with the day preceding the first anniversary of the relevant date for the pension.

19. The number mentioned in paragraph 14 of this Schedule is that produced by applying paragraph 17 of this Schedule with the substitution for the references to 31st March 1973 and 1st April 1973 of references to 31st December 1972 and 1st January 1973 respectively.

20. Any number calculated in pursuance of paragraphs 17 to 19 of this Schedule shall be calculated to the nearest tenth, one-twentieth being counted as a tenth.

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