

## SCHEDULES

### SCHEDULE 4

#### AMENDMENTS AND TRANSITIONAL PROVISIONS

#### PART I

##### MINOR AND CONSEQUENTIAL AMENDMENTS

##### *Social Security Act 1975 (c. 14)*

11 For subsection (2) of section 48 of the principal Act (priority of reductions under earnings rules) there are substituted the following subsections—

“(2) Sections 45 and 46 above, as they relate to the amount of the increase of a Category A retirement pension, have effect subject to section 30(1) above (earnings rule).

(3) In any case where a reduction in the amount of a Category A retirement pension falls to be made under section 30(1), then—

(a) if a reduction in an increase in that pension under section 45 or 46 above falls to be made under section 45(3) or, as the case may be, under regulations made under section 46(4), the reduction under section 30(1) shall be made first;

(b) the reduction under section 30(1) shall be made, so far as is necessary—

(i) initially against so much of the pension (other than any increase falling within sub-paragraph (ii) or (iii) below) as is subject to section 30(1);

(ii) then against any increase in the pension under section 45 or, as the case may be, 46 ; and

(iii) finally against any increase in the pension under section 41 above.”.