



Social Security Act 1986

1986 CHAPTER 50

PART VI

COMMON PROVISIONS

General provisions as to operation of social security

63 Annual up-rating of benefits

- (1) The Secretary of State shall in each tax year review the sums—
- (a) specified—
 - (i) in Schedule 4 to the Social Security Act 1975 ;
 - (ii) in section 30(1) of that Act;
 - (iii) in sections 2(6)(c) and 7(2)(b) of the Industrial Injuries and Diseases (Old Cases) Act 1975 ;
 - (iv) in section 6(1)(a) of the Social Security Pensions Act 1975;
 - (b) which are the additional pensions in long-term benefits ;
 - (c) which are the increases in the rates of retirement pensions under Schedule 1 to the Social Security Pensions Act 1975;
 - (d) which are—
 - (i) payable by virtue of section 35(6) of that Act to a person who is also entitled to a Category A or Category B retirement pension (including sums payable by virtue of section 36(3)); or
 - (ii) payable to such a person as part of his Category A or Category B retirement pension by virtue of an order made under this section by virtue of this paragraph or made under section 126A of the Social Security Act 1975;
 - (e) specified in section 41 (2B) of the Social Security Act 1975;
 - (f) specified by virtue of section 5(1) of the Child Benefit Act 1975;
 - (g) specified in section 7(1) of the Social Security and Housing Benefits Act 1982;
 - (h) specified in regulations under section 48(3) above;

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- (i) prescribed for the purposes of section 21(6)(a) above or specified in regulations under section 22(1) above,
in order to determine whether they have retained their value in relation to the general level of prices obtaining in Great Britain estimated in such manner as the Secretary of State thinks fit.
- (2) Where it appears to the Secretary of State that the general level of prices is greater at the end of the period under review than it was at the beginning of that period, he shall lay before Parliament the draft of an up-rating order—
- (a) which increases each of the sums to which subsection (3) below applies by a percentage not less than the percentage by which the general level of prices is greater at the end of the period than it was at the beginning; and
 - (b) if he considers it appropriate, having regard to the national economic situation and any other matters which he considers relevant, which also increases by such percentage or percentages as he thinks fit any of the sums mentioned in subsection (1) above but to which subsection (3) below does not apply; and
 - (c) stating the amount of any sums which are mentioned in subsection (1) above but which the order does not increase.
- (3) This subsection applies to sums—
- (a) specified in Part I, paragraph 1, 2, 3, 4 or 5 of Part III, Part IV or Part V of Schedule 4 to the Social Security Act 1975;
 - (b) mentioned in subsection (1)(a)(iii) or (iv), (b), (c) or (d) above.
- (4) Subsection (2) above shall not require the Secretary of State to provide for an increase in any case in which it appears to him that the amount of the increase would be inconsiderable.
- (5) The Secretary of State may, in providing for an increase in pursuance of subsection (2) above, adjust the amount of the increase so as to round any sum up or down to such extent as he thinks appropriate.
- (6) Where subsection (2) above requires the Secretary of State to lay before Parliament the draft of an order increasing any sum that could be reduced under section 17(1) of the Child Benefit Act 1975, the order may make such alteration to that sum as reflects the combined effect of that increase and of any reduction that could be made under that subsection.
- (7) An increase in a sum such as is specified in subsection (1)(d)(ii) above shall form part of the Category A or Category B retirement pension of the person to whom it is paid and an increase in a sum specified such as is specified in subsection (1)(d)(i) above shall be added to and form part of that pension but shall not form part of the sum increased.
- (8) Where any increment under section 35(6) of the Social Security Pensions Act 1975—
- (a) is increased in any tax year by an order under section 37A of that Act; and
 - (b) in that tax year also falls to be increased by an order under this section,
- the increase under this section shall be the amount that would have been specified in the order, but for this subsection, less the amount of the increase under section 37A.
- (9) Where sums are payable to a person by virtue of section 35(6) of the Social Security Pensions Act 1975 (including such sums payable by virtue of section 36(3) of that Act) during a period ending with the date on which he became entitled to a Category A or Category B retirement pension, then, for the purpose of determining the amount

of his Category A or Category B retirement pension, orders made under this section during that period shall be deemed to have come into force (consecutively in the order in which they were made) on the date on which he became entitled to that pension.

- (10) If the Secretary of State considers it appropriate to do so, he may include in the draft of an up-rating order, in addition to any other provisions, provisions increasing any of the sums for the time being specified in regulations under Part II of this Act.
- (11) The Secretary of State shall lay with any draft order under this section a copy of a report by the Government Actuary giving the latter's opinion on the likely effect on the National Insurance Fund of such parts of the order as relate to sums payable out of that Fund.
- (12) If a draft order laid before Parliament in pursuance of this section is approved by a resolution of each House, the Secretary of State shall make the order in the form of the draft.
- (13) An order under this section—
- (a) shall be framed so as to bring the alterations to which it relates into force—
 - (i) in the week beginning with the first Monday in the tax year ; or
 - (ii) on such earlier date in April as may be specified in the order;
 - (b) shall make such transitional provision as the Secretary of State considers expedient in respect of periods of entitlement—
 - (i) to statutory sick pay;
 - (ii) to family credit,running at the date when the alterations come into force.

64 Effect of alteration of rates of benefit

- (1) This section applies where the rate of any relevant benefit is altered—
- (a) by an Act subsequent to this Act;
 - (b) by an order under section 63 above ; or
 - (c) in consequence of any such Act or order altering any maximum rate of benefit ;
- and in this section " the commencing date " means the date fixed for payment of benefit at an altered rate to commence.
- (2) Subject to such exceptions or conditions as may be prescribed where—
- (a) the weekly rate of a relevant benefit is altered to a fixed amount higher or lower than the previous amount; and
 - (b) before the commencing date an award of that benefit has been made (whether before or after the passing of the relevant Act or the making of the relevant order),
- except as respects any period falling before the commencing date, the benefit shall become payable at the altered rate without any claim being made for it in the case of an increase in the rate of benefit or any review of the award in the case of a decrease, and the award shall have effect accordingly.
- (3) Where—
- (a) the weekly rate of a relevant benefit is altered; and
 - (b) before the commencing date (but after that date is fixed) an award is made of the benefit,

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the award either may provide for the benefit to be paid as from the commencing date at the altered rate or may be expressed in terms of the rate appropriate at the date of the award.

- (4) Where in consequence of the passing of an Act, or the making of an order, altering the rate of disablement pension under section 57 of the Social Security Act 1975, regulations are made varying the scale of disablement gratuities under subsection (5) of that section, the regulations may provide that the scale as varied shall apply only in cases where the period taken into account by the assessment of the extent of the disablement in respect of which the gratuity is awarded begins or began after such day as may be prescribed.
- (5) Subject to such exceptions or conditions as may be prescribed, where—
- (a) for any purpose of any Act or regulations the weekly rate at which a person contributes to the cost of providing for a child, or to the maintenance of an adult dependant, is to be calculated for a period beginning on or after the commencing date for an increase in the weekly rate of benefit; but
 - (b) account is to be taken of amounts referable to the period before the commencing date,
- those amounts shall be treated as increased in proportion to the increase in the weekly rate of benefit.
- (6) In this section "relevant benefit" means benefit under the Social Security Act 1975 or the Industrial Injuries and Diseases (Old Cases) Act 1975.

65 Reciprocal arrangements

- (1) At the end of subsection (4)(b) of section 142 of the Social Security Act 1975 (co-ordination with Northern Ireland) there shall be added " (but not so as to confer any double benefit) and for determining, in cases where rights accrue both in relation to Great Britain and in relation to Northern Ireland, which of those rights shall be available to the person concerned ".
- (2) In subsection (1) of section 143 of that Act (reciprocity with other countries)—
- (a) for the words from " reciprocity " to the end of paragraph (c) there shall be substituted the words " reciprocity in matters relating to payments for purposes similar or comparable to the purposes of this Act " ; and
 - (b) the words " relating to social security " shall be omitted.
- (3) The words "relating to child benefit" shall be omitted from subsection (1) of section 15 of the Child Benefit Act 1975 (reciprocal agreements with countries outside the United Kingdom).
- (4) Sections 14 and 15 of the Child Benefit Act 1975 (reciprocal arrangements with Northern Ireland and reciprocal agreements with countries outside the United Kingdom) shall have effect in relation to income support, family credit and housing benefit as they have effect in relation to child benefit, references in them to Part I of that Act being construed as including references to this Act.