



# Social Security Act 1988

## 1988 CHAPTER 7

### *Industrial injuries*

#### **2 Introduction of retirement allowance and other provisions relating to industrial injuries benefit**

- (1) The following section shall be inserted after section 59A of the Social Security Act 1975—

##### **“59B Retirement allowance**

- (1) Subject to the provisions of this Part of this Act, a person who—
- (a) has attained pensionable age; and
  - (b) retires, or is deemed under section 27(5) above to have retired, from regular employment on or after the date on which this section comes into force; and
  - (c) was entitled to reduced earnings allowance (by virtue either of one award or of a number of awards) on the day immediately before he retired or is deemed to have retired,
- shall cease to be entitled to reduced earnings allowance as from the day on which he retires or is deemed to have retired and may be entitled to it again only if he makes an election in accordance with regulations under section 30(3) above.
- (2) If the day before a person ceases under subsection (1) above to be entitled to reduced earnings allowance he is entitled to the allowance (by virtue either of one award or of a number of awards) at a weekly rate or aggregate weekly rate of not less than £2.00, he shall be entitled to a benefit, to be known as “retirement allowance”.
- (3) Unless he makes an election in accordance with regulations under section 30(3) above, retirement allowance shall be payable to him (subject to any enactment contained in Chapter VI of this Part of this Act and to any regulations made under any such enactment) for life.

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- (4) If he makes such an election, his entitlement to retirement allowance shall cease on the day on which the election takes effect.
- (5) Subject to subsection (6) below, the weekly rate of a beneficiary's retirement allowance shall be—
- (a) 25 per cent. of the weekly rate of reduced earnings allowance to which he was entitled the day before he ceased to be entitled to that allowance; or
  - (b) 10 per cent. of the maximum rate of a disablement pension, whichever is the less.
- (6) If the weekly rate of the beneficiary's retirement allowance—
- (a) would not be a whole number of pence; and
  - (b) would exceed the whole number of pence next below it by  $\frac{1}{2}$ p or more,
- the beneficiary shall be entitled to retirement allowance at a rate equal to the next higher whole number of pence.”
- (2) In section 63 of the Social Security Act 1986 (annual up-rating of benefit)—
- (a) the following paragraph shall be inserted after subsection (1)(e)—
    - “(ee) falling to be calculated under section 59B(5) of that Act;”;
    - and
  - (b) in subsection (3)(b), for the words “or (d)” there shall be substituted the words “, (d) or (ee)”.
- (3) Section 59A(8) of the Social Security Act 1975 shall be modified in the case of a person who retired from regular employment before 6th April 1987 by the substitution for “140 per cent.” of “100 per cent.”.
- (4) A person who—
- (a) on 10th April 1988; or
  - (b) on the day before subsection (1) above comes into force,
- satisfies the conditions—
- (i) that he has attained pensionable age;
  - (ii) that he has retired from regular employment; and
  - (iii) that he is entitled to reduced earnings allowance,
- shall be entitled to that allowance for life.
- (5) In the case of any beneficiary who is entitled to reduced earnings allowance by virtue of subsection (4) above, the allowance shall be payable, subject to any enactment contained in Chapter VI of Part II of the Social Security Act 1975 and to any regulations made under any such enactment, at the weekly rate at which it was payable to the beneficiary on the relevant date or would have been payable to him on that date but for any such enactment or regulations.
- (6) For a beneficiary who is entitled to reduced earnings allowance by virtue of subsection (4)(a) above the relevant date is 10th April 1988.
- (7) For a beneficiary who is entitled to it by virtue of subsection (4)(b) above the relevant date is the day before subsection (1) above came into force.

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- (8) After subsection (1) above comes into force no person over pensionable age and retired from regular employment shall be entitled to reduced earnings allowance otherwise than under subsection (4) above.
- (9) References in subsections (3), (4) and (8) above to a person who has retired from regular employment include references—
  - (a) to a person who under subsection (3) of section 27 of the Social Security Act 1975 is treated for the purposes of that Act as having retired from regular employment; and
  - (b) to a person who under subsection (5) of that section is deemed for those purposes to have retired from it.
- (10) Schedule 1 to this Act shall have effect in relation to industrial death benefit.