

1972 No. 1298

PENSIONS

The Pensions Increase (Annual Review) Order 1972

<i>Made</i>	- - -	18th August 1972
<i>Laid before Parliament</i>		25th August 1972
<i>Coming into Operation</i>		1st December 1972

Whereas the Minister for the Civil Service has, in accordance with the provisions of section 2 of the Pensions (Increase) Act 1971(a), as amended by section 25 of the Superannuation Act 1972(b), reviewed the rates of official pensions against the rise in the cost of living during the review period, that is to say, the period of fifteen months ending with 30th June 1972, and it has been found that in that period the cost of living has risen by 9.9 per cent.:

Now therefore the Minister for the Civil Service, in exercise of the powers conferred on him by sections 2 and 9(4) and (4A) of the said Act of 1971, as amended by section 25 of the said Act of 1972, and of all other powers enabling him in that behalf, hereby makes the following Order:—

Citation and commencement

1. This Order may be cited as the Pensions Increase (Annual Review) Order 1972, and shall come into operation on 1st December 1972.

Interpretation

2.—(1) In this Order—

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

“basic rate” has the meaning given by section 17(1) of the 1971 Act;

“official pension” has the meaning given by section 5(1) of the 1971 Act;

“pension authority” has the meaning given by section 7(1) of the 1971 Act;

“qualifying condition” means one of the conditions laid down by section 3 of the 1971 Act.

(2) For the purposes of this Order the time when a pension “begins” is that stated in section 8(2) of the 1971 Act, and “beginning date” shall be construed accordingly.

(3) The Interpretation Act 1889(c) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

Pension increases

3.—(1) The annual rate of an official pension may, if any qualifying condition is satisfied, be increased by the pension authority in respect of any period beginning on or after 1st December 1972, as follows:—

 (a) 1971 c. 56.

(b) 1972 c. 11.

(c) 1889 c. 63.

- (a) a pension beginning on or before 1st April 1971 may be increased by 9.9 per cent. of the basic rate as increased under section 1 of the 1971 Act;
- (b) a pension beginning in the six months following 1st April 1971 may be increased by 11.0 per cent. of the basic rate;
- (c) a pension beginning in the six months following 1st October 1971 may be increased by 5.6 per cent. of the basic rate;
- (d) a pension beginning in the three months following 1st April 1972 may be increased by 3.5 per cent. of the basic rate.

(2) For the purpose of showing the cumulative effect of the increases payable under section 1 of the 1971 Act and under paragraph (1) above, that section, with the effect of paragraph (1) above incorporated in it, is set out in the Schedule to this Order.

Increases of certain lump sums

4.—(1) In respect of any lump sum or instalment of a lump sum which became payable in the six months ending with 1st April 1972, but for which the beginning date fell before 2nd October 1971, there may be paid an increase of 2.7 per cent. of the amount of the lump sum or instalment as increased by the amount of any increase under section 1 of the 1971 Act.

(2) In respect of any lump sum or instalment of a lump sum which became payable in the three months ending with 1st July 1972, but for which the beginning date fell before 2nd October 1971, there may be paid an increase of 5.4 per cent. of the amount of the lump sum or instalment as increased by the amount of any increase under section 1 of the 1971 Act.

(3) In respect of any lump sum or instalment of a lump sum which became payable in the three months ending with 1st July 1972, but for which the beginning date fell in the six months ending with 1st April 1972, there may be paid an increase of 2.6 per cent. of the amount of the lump sum or instalment.

Given under the official seal of the Minister for the Civil Service on 18th August 1972.

(L.S.)

A. W. Wyatt,
Authorised by the Minister
for the Civil Service.

SCHEDULE

Article 3(2)

Section 1 of the Pensions (Increase) Act 1971 reproduced with the effect of article 3(1) of this Order incorporated in it

1.—(1) Subject to the provisions of this Act, the annual rate of an official pension may, if any qualifying condition is satisfied, be increased by the pension authority in respect of any period beginning on or after 1st December 1972, as follows:—

- (a) a pension beginning before the year 1969 may be increased by the amount necessary to bring the rate up to the 1969 standard, that is to say, to the rate arrived at by applying to the basic rate of pension the multiplier given in Schedule 1 for the year in which the pension began, and by a further 29.682 per cent. of the rate so increased;

- (b) a pension beginning on or before 1st April 1969 but not earlier than that year may be increased by 29·682 per cent. of the basic rate;
 - (c) a pension beginning in the six months following 1st April 1969 may be increased by 27·484 per cent. of the basic rate;
 - (d) a pension beginning in the six months following 1st October 1969 may be increased by 25·286 per cent. of the basic rate;
 - (e) a pension beginning in the six months following 1st April 1970 may be increased by 20·890 per cent. of the basic rate;
 - (f) a pension beginning in the six months following 1st October 1970 may be increased by 16·494 per cent. of the basic rate;
 - (g) a pension beginning in the six months following 1st April 1971 may be increased by 11 per cent. of the basic rate;
 - (h) a pension beginning in the six months following 1st October 1971 may be increased by 5·6 per cent. of the basic rate;
 - (i) a pension beginning in the three months following 1st April 1972 may be increased by 3·5 per cent. of the basic rate.
- (2) In the case of a pension beginning before the year 1969 the increase authorised by subsection 1(a) above shall take the place of those authorised by the Pensions (Increase) Acts 1920 to 1969, but in the cases provided for by section 6 below shall be of the larger amount there specified by reference to increases that might have been made under those Acts together with a further increase of 29·682 per cent. of the pension as so increased.

EXPLANATORY NOTE

(This Note is not part of the Order.)

Under section 2 of the Pensions (Increase) Act 1971 (as amended by section 25 of the Superannuation Act 1972) the Minister for the Civil Service is required to conduct a review of rates of public service pensions against any rise in the cost of living during the review period. The Order provides for the payment, with effect from 1st December 1972, of the pension increases resulting from the 1972 review and based on the rise in the cost of living during the review period of fifteen months ending with 30th June 1972. To qualify for increase a person must satisfy one of the qualifying conditions specified in section 3 of the 1971 Act.

For pensions which began on or before 1st April 1971 the increase is of the percentage by which the cost of living rose during the review period (9·9%). For pensions which began in the six months following 1st April 1971, in the six months following 1st October 1971 or in the three months following 1st April 1972, the increases (11%, 5·6%, and 3·5% respectively) are of the percentage by which the cost of living at the end of the review period exceeded its mean level during the respective periods of six months ending 30th April 1971, six months ending 31st October 1971 and three months ending 1st February 1972.

The Order reproduces, in the Schedule, section 1 of the 1971 Act with the effect of the Order incorporated in it, so as to indicate the cumulative increases payable under the Act and the Order.

The Order also provides for the payment, as a result of the review, of increases on certain lump sums of which payment was deferred and which became payable in the nine months ending with 1st July 1972.