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STATUTORY INSTRUMENTS

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**1974 No. 1373**

**PENSIONS**

**The Pensions Increase (Annual Review) Order 1974**

<i>Made</i>	- - - -	<i>12th August 1974</i>
<i>Laid before Parliament</i>		<i>21st August 1974</i>
<i>Coming into Operation</i>		<i>1st December 1974</i>

Whereas the Minister for the Civil Service has, in accordance with the provisions of section 2 of the Pensions (Increase) Act 1971, as amended by section 25(1) of the Superannuation Act 1972, 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 twelve months ending with 30th June 1974, and it has been found that in that period the cost of living has risen by 16·5 per cent.:

Now therefore the Minister for the Civil Service, in exercise of the powers conferred on him by section 2 of the Pensions (Increase) Act 1971 (as amended by section 25(1) of the Superannuation Act 1972 and section 3(3)(a) of the Pensions (Increase) Act 1974) and section 9(4) of the said Act of 1971, 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 1974, and shall come into operation on 1st December 1974.

**Interpretation**

2.—(1) In this Order—

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

“the 1974 Act” means the Pensions (Increase) Act 1974;

“basic rate” has the meaning given by section 17(1) of the 1971 Act, as amended by section 1(3) of the 1974 Act;

“the existing Orders” means the Pensions Increase (Annual Review) Order 1972(1) and the Pensions Increase (Annual Review) Order 1973(2);

“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;

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(1) (1972 II, p. 3910).  
(2) (1973 II, p. 4234).

“qualifying condition” means one of the conditions laid down in section 3 of the 1971 Act, as amended by section 3(2) and (3) of the 1974 Act;

“widow's pension” means a pension payable in respect of the services of the pensioner's deceased husband.

(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 the “beginning date” shall be construed accordingly.

(3) The Interpretation Act 1889 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 or the pension is a widow's pension, be increased by the pension authority in respect of any period beginning on or after 1st December 1974, as follows:—

- (a) a pension beginning on or before 1st July 1973 may be increased by 16·5 per cent. of the basic rate as increased by the amount of any increase under section 1 of the 1971 Act or under the existing Orders;
- (b) a pension beginning in the six months following 1st July 1973 may be increased by 18·1 per cent. of the basic rate.
- (c) a pension beginning in the six months following 1st January 1974 may be increased by 12·3 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, under the existing Orders and under paragraph (1) above, that section (as amended by section 3(3)(a) of the 1974 Act), with the effect of the existing Orders and paragraph (1) above incorporated in it, is set out in the Schedule to this Order.

### **Increases of certain lump sums**

**4.** In respect of any lump sum or instalment of a lump sum which became payable in the six months ending with 1st July 1974, but for which the beginning date fell before 2nd January 1974, there may be paid an increase of 9·1 per cent. of the amount of the lump sum or instalment as increased by any increase under section 1 of the 1971 Act or under the existing Orders.

Given under the official seal of the Minister for the Civil Service on 12th August 1974.

L.S.

*Robert Sheldon*  
Minister of State  
Civil Service Department

## SCHEDULE

Article 3(2)

Section 1 of the Pensions (Increase) Act 1971 reproduced with the effect of the existing Orders and 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 or the pension is a widow's pension, be increased by the pension authority in respect of any period on or after 1st December 1974, 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 65·1299 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 65·1299 per cent. of the basic rate;
- (c) a pension beginning in the six months following 1st April 1969 may be increased by 62·3311 per cent. of the basic rate;
- (d) a pension beginning in the six months following 1st October 1969 may be increased by 59·5323 per cent. of the basic rate;
- (e) a pension beginning in the six months following 1st April 1970 may be increased by 53·9347 per cent. of the basic rate;
- (f) a pension beginning in the six months following 1st October 1970 may be increased by 48·3371 per cent. of the basic rate;
- (g) a pension beginning in the six months following 1st April 1971 may be increased by 41·3413 per cent. of the basic rate;
- (h) a pension beginning in the six months following 1st October 1971 may be increased by 34·4652 per cent. of the basic rate;
- (i) a pension beginning in the six months following 1st April 1972 may be increased by 31·7912 per cent. of the basic rate;
- (j) a pension beginning in the six months following 1st July 1972 may be increased by 28·6160 per cent. of the basic rate;
- (k) a pension beginning in the six months following 1st January 1973 may be increased by 23·6065 per cent. of the basic rate;
- (l) a pension beginning in the six months following 1st July 1973 may be increased by 18·1 per cent. of the basic rate;
- (m) a pension beginning in the six months following 1st January 1974 may be increased by 12·3 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 65·1299 per cent. of the pension as so increased.

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## EXPLANATORY NOTE

Under section 2 of the Pensions (Increase) Act 1971 (as amended by section 25(1) 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 1974, of the pension increases resulting from the 1974 review and based on the rise in the cost of living during the review period of twelve months ending with 30th June 1974. To qualify for increase a person in receipt of a pension must satisfy one of the qualifying conditions specified in section 3 of the 1971 Act (as amended by section 3(2) and (3) of the Pensions (Increase) Act 1974) or the pension must be a widow's pension.

For pensions (or deferred lump sums) which began on or before 1st July 1973 the increase (16·5%) is of the percentage by which the cost of living rose during the review period. For pensions (or deferred lump sums) which began in the six months following 1st July 1973, or in the six months following 1st January 1974, the increases (18·1% and 12·3% respectively) are of the percentage by which the cost of living at the end of the review period exceeded its mean level during the periods of six months ending 31st July 1973 and 31st January 1974 respectively.

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

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 six months ending with 1st July 1974.