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## EXPLANATORY NOTE

*(This note is not part of the Order)*

1. This Order is made following a review under section 148 (revaluation of earnings factors) of the Social Security Administration Act 1992 (c. 5).
2. This Order directs that the earnings factors relevant to the calculation of the additional pension in the rate of any long-term benefit or of any guaranteed minimum pension, or to any other calculation required under Part 3 of the Pension Schemes Act 1993 (c. 48), are to be increased for the tax years specified in the Schedule to the Order by the percentage of their amount specified in that Schedule.
3. The percentages specified in this Order for the tax years from and including 2000 – 2001 are also relevant for the purposes of revaluing state scheme pension debits and credits in accordance with sections 45B(6), 55A(5) and 55B(6) of the Social Security Contributions and Benefits Act 1992 (c. 4).
4. The percentage for the tax year 2009 – 2010 is 1.2%. The percentages for earlier tax years have been increased so that the earnings factors for those years are revalued at 2009 – 2010 earning levels.
5. This Order also provides for rounding fractional amounts for earnings factors relevant to the calculation of the additional pension in the rate of any long-term benefit. By virtue of section 23(2) of the Social Security Contributions and Benefits Act 1992 (c. 4), rounding is not required for the purpose of the calculation of any guaranteed minimum pension.
6. A full impact assessment has not been produced for this instrument as it has no new impact on the private or voluntary sectors.