

Status: Point in time view as at 04/03/2024. This version of this Instrument contains provisions that are prospective.

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STATUTORY INSTRUMENTS

2024 No. 331

PENSIONS

The Pensions Increase (Review) Order 2024

<i>Made</i>	- - - -	<i>4th March 2024</i>
<i>Laid before Parliament</i>		<i>8th March 2024</i>
<i>Coming into force</i>	- -	<i>8th April 2024</i>

The Secretary of State for Work and Pensions has, by virtue of section 151 of the Social Security Administration Act 1992(1), given a direction(2) that the sums mentioned in section 150(1)(c) of that Act are to be increased by a specified percentage.

The Treasury make the following Order in exercise of the powers conferred by section 59(1), (2), (5) and (5ZA) of the Social Security Pensions Act 1975(3) and now vested in them(4).

PROSPECTIVE

Citation, commencement and extent

1.—(1) This Order may be cited as the Pensions Increase (Review) Order 2024 and comes into force on 8th April 2024.

(2) This Order extends to England and Wales, Scotland and Northern Ireland.

Commencement Information

II Art. 1 in force at 8.4.2024, see [art. 1\(1\)](#)

(1) [1992 c. 5](#); section 151(1) was amended by section 130(2) of the Pensions Act [1995 \(c. 26\)](#).

(2) [S.I. 2024/242](#).

(3) [1975 c. 60](#). Section 59(1) was amended by section 1(7) of the Pensions (Miscellaneous Provisions) Act [1990 \(c. 7\)](#) and by the Social Security (Consequential Provisions) Act [1992 \(c. 6\)](#), Schedule 2, paragraph 34. Section 59(5) was amended by section 11 of the Social Security Act [1979 \(c. 18\)](#) and the Social Security Act [1985 \(c. 53\)](#), Schedule 5, paragraph 33. Section 59 was also amended by the Social Security Act 1979, section 11 and Schedule 3, paragraph 20; section 9(8) of the Social Security Act [1986 \(c. 50\)](#) (which inserted subsection (5A)); section 5 of the Pensions (Miscellaneous Provisions) Act 1990 (which inserted subsection (5ZA)) and the Pensions Schemes Act [1993 \(c. 48\)](#), section 190 and Schedule 8, paragraph 9(1). Section 59 was modified by section 59A of the same Act, which was inserted by section 11(4) of the Social Security Act 1979, amended by the Social Security Act 1986, section 9(9), and further amended by the Pensions Schemes Act 1993, section 190 and Schedule 8, paragraph 9(2). Subsections 59(5ZA), (5ZB), (5ZC) and (7) were amended by [S.I. 2014/560](#) and [S.I. 2014/3229](#). Subsections 59(5ZB) and (7) were amended by [S.I. 2014/3168](#). Subsections 59(5ZC) and (7) were amended by [S.I. 2020/1143](#).

(4) By virtue of article 2(1)(c) and (d) of [S.I. 1981/1670](#).

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Interpretation

2.—(1) In this Order, “the Act” means the Social Security Pensions Act 1975.

(2) In this Order, any reference to a pension is a reference to a pension which began before 8th April 2024⁽⁵⁾.

Commencement Information

I2 Art. 2 in force at 8.4.2024, see [art. 1\(1\)](#)

Pension increase: annual rate and lump sums

3.—(1) This article applies to an official pension if—

- (a) a qualifying condition is satisfied; or
- (b) the pension is—
 - (i) a derivative pension;
 - (ii) a substituted pension; or
 - (iii) a relevant injury pension.

(2) In relation to any period on or after 8th April 2024, the pension authority may increase the annual rate⁽⁶⁾ of the pension—

- (a) for a pension which began before 10th April 2023, by 6.7 per cent;
- (b) for a pension which began on or after 10th April 2023, by 6.7 per cent multiplied by—

$$\frac{A}{12}$$

where A is the number of complete months in the period between the beginning date of the pension and 8th April 2024.

(3) In relation to a lump sum which is payable on or after 10th April 2023 but before 8th April 2024, the pension authority may increase the lump sum by 6.7 per cent multiplied by—

$$\frac{A}{12}$$

where A is the number of complete months in the period between the beginning date of the lump sum (or, if later, 10th April 2023) and the date on which it becomes payable.

Commencement Information

I3 Art. 3 in force at 8.4.2024, see [art. 1\(1\)](#)

(5) By virtue of section 59(7) of the Social Security Pensions Act 1975 (c. 60), sections 59 and 59A of that Act have effect as if they were contained in Part 1 of the Pensions (Increase) Act 1971 (c. 56). Consequently, for the purposes of section 11 of the Interpretation Act 1978 (c. 30) the following expressions used in this Order have the meaning which they bear in section 59 of the Social Security Pensions Act 1975 and the Pensions (Increase) Act 1971: “beginning date”, “complete months”, “derivative pension”, “employment”, “guaranteed minimum pension”, “lump sum”, “official pension”, “pension authority”, “qualifying condition”, “relevant injury pension”, “substituted pension” and “transfer credit”. Section 8(2) of the Pensions (Increase) Act 1971 also makes provision about when a pension begins for the purposes of that Act. Section 8(2) was amended by section 1(5) of the Pensions (Miscellaneous Provisions) Act 1990 and by the Welfare Reform and Pensions Act 1999 (c. 30), section 39(1) and (4). Section 8 was also amended by the Public Service Pensions Act 2013 (c. 25), Schedule 8, paragraph 4 (which inserted section 8A).

(6) Section 59(5) of the Social Security Pensions Act 1975 provides that increases in the rate of a pension are to be calculated by reference to the basic rate of the pension as authorised to be increased by section 1 of the Pensions (Increase) Act 1971 or by an order under section 2 of that Act or section 59 of the Social Security Pensions Act 1975.

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Reductions in respect of guaranteed minimum pensions

4.—(1) Where—

- (a) a person is entitled to an increase in a guaranteed minimum pension on 8th April 2024; and
- (b) entitlement to that guaranteed minimum pension arises from an employment from which (either directly, or indirectly by virtue of the payment of a transfer credit) entitlement to the official pension also arises;

the amount by reference to which any increase is calculated for the purposes of article 3(2) must be reduced by an amount equal to the rate of the guaranteed minimum pension unless the Treasury otherwise direct in accordance with the provision of section 59A of the Act(7).

(2) Where on the death of a deceased spouse or civil partner a person becomes entitled to a guaranteed minimum pension in relation to a surviving spouse's pension or a surviving civil partner's pension, the amount by reference to which any increase is calculated for the purposes of article 3(2) must be reduced in accordance with section 59(5ZA) of the Act.

Commencement Information

I4 Art. 4 in force at 8.4.2024, see [art. 1\(1\)](#)

4th March 2024

Scott Mann
Amanda Milling
Two of the Lords Commissioners of His
Majesty's Treasury

(7) The power of direction is vested in the Treasury by [S.I. 1981/1670](#).

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PROSPECTIVE

EXPLANATORY NOTE

(This note is not part of the Order)

Under section 59 of the Social Security and Pensions Act 1975 (c. 60) (increase of official pensions) where the Secretary of State for Work and Pensions, under section 151(1) of the Social Security Administration Act 1992 (c. 5), directs that the sums in section 150(1)(c) of the 1992 Act are to be increased by a specified percentage, the Treasury shall provide by order for the increase in the rates of public service pensions. The Pensions (Increase) Act 1971 (c. 56) defines certain terms, sets out when a pension “begins” and how the increase applies to lump sums.

The increase to be applied is the same as the percentage by which the Secretary of State for Work and Pensions has, by direction under the Social Security Administration Act 1992, increased the additional pension entitlements accruing to employees in respect of earnings for service after 5th April 1978.

For pensions which began before 10th April 2023 the increase is 6.7 per cent. For pensions which began on or after the 10th April 2023 the increases (following the calculation set out in article 3) are as follows—

<i>Pensions beginning</i>	<i>Pensions increase</i>
10th April 2023 to 23rd April 2023	6.7%
24th April 2023 to 23rd May 2023	6.14%
24th May 2023 to 23rd June 2023	5.58%
24th June 2023 to 23rd July 2023	5.03%
24th July 2023 to 23rd August 2023	4.47%
24th August 2023 to 23rd September 2023	3.91%
24th September 2023 to 23rd October 2023	3.35%
24th October 2023 to 23rd November 2023	2.79%
24th November 2023 to 23rd December 2023	2.23%
24th December 2023 to 23rd January 2024	1.68%
24th January 2024 to 23rd February 2024	1.12%
24th February 2024 to 23rd March 2024	0.56%

Article 3(3) of the Order provides for increases on certain deferred lump sums which become payable on or after 10th April 2023 and before 8th April 2024.

The Order also makes provision for the amount by reference to which any increase in the rate of an official pension is to be calculated, to be reduced by the amount equal to the rate of any

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guaranteed minimum pension entitlement deriving from the employment which gives rise to the official pension.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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