



2000 CHAPTER 4

PART II

PENSIONS

CHAPTER I

STATE PENSIONS

State second pension

Earnings from which pension derived

29.—(1) In section 22 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7) (in this Act referred to as the “Contributions and Benefits Act”) (earnings factors), after subsection (2) there shall be inserted—

“(2A) For the purpose specified in subsection (2)(b) above, in the case of the first appointed year or any subsequent tax year a person’s earnings factor shall be treated as derived only from those of his earnings on which primary Class 1 contributions have been paid or treated as paid.”.

(2) In section 44 of that Act (Category A retirement pension), in subsection (6)

—
(a) before paragraph (a) there shall be inserted—

“(za) where the relevant year is the first appointed year or any subsequent year, to the aggregate of his earnings factors derived from those of his earnings upon which primary Class 1 contributions have been paid or treated as paid in respect of that year;” and

- (b) in paragraph (a), after “subsequent tax year” there shall be inserted “before the first appointed year”.
- (3) After that section there shall be inserted—

“44A Deemed earnings factors

(1) For the purposes of section 44(6)(za) above, if any of the conditions in subsection (2) below is satisfied for a relevant year, a pensioner is deemed to have an earnings factor for that year which—

- (a) is derived from earnings on which primary Class 1 contributions were paid; and
- (b) is equal to the amount which, when added to any other earnings factors taken into account under that provision, produces an aggregate of earnings factors equal to the low earnings threshold.

(2) The conditions referred to in subsection (1) above are that—

- (a) the pensioner would, apart from this section, have an earnings factor for the year—
 - (i) equal to or greater than the qualifying earnings factor for the year; but
 - (ii) less than the low earnings threshold for the year;
- (b) invalid care allowance—
 - (i) was payable to the pensioner throughout the year; or
 - (ii) would have been so payable but for the fact that under regulations the amount payable to him was reduced to nil because of his receipt of other benefits;
- (c) for the purposes of paragraph 5(7)(b) of Schedule 3, the pensioner is taken to be precluded from regular employment by responsibilities at home throughout the year by virtue of—
 - (i) the fact that child benefit was payable to him in respect of a child under the age of six; or
 - (ii) his satisfying such other condition as may be prescribed; or
- (d) the pensioner is a person satisfying the requirement in subsection (3) below to whom long-term incapacity benefit was payable throughout the year, or would have been so payable but for the fact that—
 - (i) he did not satisfy the contribution conditions specified in paragraph 2 of Schedule 3; or
 - (ii) under regulations the amount payable to him was reduced to nil because of his receipt of other benefits or of payments from an occupational pension scheme or personal pension scheme.

- (3) The requirement referred to in subsection (2)(d) above is that—
- (a) for one or more relevant years the pensioner has paid, or (apart from this section) is treated as having paid, primary Class 1 contributions on earnings equal to or greater than the qualifying earnings factor; and
 - (b) the years for which he has such a factor constitute at least one tenth of his working life.
- (4) For the purposes of subsection (3)(b) above—
- (a) a pensioner's working life shall not include—
 - (i) any tax year before 1978-79; or
 - (ii) any year in which he is deemed under subsection (1) above to have an earnings factor by virtue of fulfilling the condition in subsection (2)(b) or (c) above; and
 - (b) the figure calculated by dividing his working life by ten shall be rounded to the nearest whole year (and any half year shall be rounded down).
- (5) The low earnings threshold for the first appointed year and subsequent tax years shall be £9,500 (but subject to section 130A of the Administration Act).
- (6) In subsection (2)(d)(ii) above, “occupational pension scheme” and “personal pension scheme” have the same meanings as in subsection (6) of section 30DD above for the purposes of subsection (5) of that section.”.
- (4) For the purposes of subsection (1) of section 44A of the Contributions and Benefits Act, a pensioner is deemed to have an earnings factor in relation to any relevant year as specified in that subsection if—
- (a) severe disablement allowance was payable to him throughout the year; and
 - (b) he satisfies the requirement in subsection (3) of that section.

Calculation

- 30.—**(1) In section 45 of the Contributions and Benefits Act (the additional pension in a Category A retirement pension), in subsection (2)—
- (a) after “shall be” there shall be inserted “the sum of the following”;
 - (b) in paragraph (b), after “after 1987-88” there shall be inserted “but before the first appointed year”; and
 - (c) after that paragraph there shall be added “; and
 - (c) in relation to any tax years falling within subsection (3A) below, the weekly equivalent of the amount calculated in accordance with Schedule 4A to this Act.”.

- (2) In that section after subsection (3) there shall be inserted—
- “(3A) The following tax years fall within this subsection—
- (a) the first appointed year;
 - (b) subsequent tax years.”.

(3) After Schedule 4 to that Act there shall be inserted the Schedule set out in Schedule 4.

Calculation of Category B retirement pension

31.—(1) In section 46 of the Contributions and Benefits Act (modifications of section 45 for calculating the additional pension in certain benefits), after subsection (2) there shall be added—

“(3) For the purpose of determining the additional pension falling to be calculated under section 45 above by virtue of section 48BB below in a case where the deceased spouse died under pensionable age, the following definition shall be substituted for the definition of “N” in section 45(4)(b) above—

““N” =

- (a) the number of tax years which begin after 5th April 1978 and end before the date when the deceased spouse dies, or
- (b) the number of tax years in the period—
 - (i) beginning with the tax year in which the deceased spouse (“S”) attained the age of 16 or, if later, 1978-79, and
 - (ii) ending immediately before the tax year in which S would have attained pensionable age if S had not died earlier,

whichever is the smaller number.””

(2) In section 48BB of that Act (Category B retirement pension: entitlement by reference to benefits under section 39A or 39B), in subsection (5) for “section 46(2)” there shall be substituted “section 46(3)”.

(3) In paragraph 4 of Schedule 8 to the [Welfare Reform and Pensions \(Northern Ireland\) Order 1999 \(NI 11\)](#) (in this Act referred to as “the 1999 Order”) (welfare benefits: minor and consequential amendments), subparagraph (b), and the word “and” immediately preceding it, shall cease to have effect.

Revaluation

32. After section 130 of the Social Security Administration (Northern Ireland) Act 1992 (c. 8) (in this Act referred to as “the Administration Act”) there shall be inserted—

“130A Revaluation of low earnings threshold

130A. Whenever the Secretary of State makes an order under section 148A of the Great Britain Administration Act (revaluation of low earnings threshold), the Department may make a corresponding order for Northern Ireland.”.

Supplementary

- 33.**—(1) The Contributions and Benefits Act shall be amended as follows.
- (2) In section 21(5A)(b) (contribution conditions)—
- (a) after “22(1)(a)” there shall be inserted “, (2A)”;
 - (b) for “44(6)(a)” there shall be substituted “44(6)(za) and (a)”.
- (3) In section 39 (rate of widowed mother’s allowance and widow’s pension), in subsections (1), (2) and (3), after “sections 44 to 45B below” there shall be inserted “and Schedule 4A to this Act”.
- (4) In section 39C (rate of widowed parent’s allowance and bereavement allowance)—
- (a) in subsections (1) and (4), after “sections 44 to 45A below” there shall be inserted “and Schedule 4A to this Act”; and
 - (b) in subsection (3), after “45A” there shall be inserted “below and Schedule 4A to this Act”.
- (5) In section 44 (Category A retirement pension), in subsection (5A), after “section 45 below” there shall be inserted “and Schedule 4A to this Act”.
- (6) In that subsection, for the words from “that year,” to “surplus” there shall be substituted “that year,
- (b) the amount of the surplus is the amount of that excess, and
 - (c) for the purposes of section 45(1) and (2)(a) and (b) below, the adjusted amount of the surplus”.
- (7) In subsection (6) of that section, after “section 45 below” there shall be inserted “or Schedule 4A to this Act”.
- (8) In section 45 (the additional pension in a Category A retirement pension) —
- (a) in subsections (1) and (2)(a) and (b), before “amount” there shall be inserted “adjusted”; and
 - (b) in subsection (6), for “the amount of any surpluses” there shall be substituted “any amount”.
- (9) In section 48A(4) (Category B retirement pension for married person), after “sections 44 to 45B above” there shall be inserted “and Schedule 4A to this Act”.

(10) In section 48B (Category B retirement pension for widows and widowers), in subsections (2) and (3), after “sections 44 to 45B above” there shall be inserted “and Schedule 4A to this Act”.

(11) In section 48BB (Category B retirement pension: entitlement by reference to benefits under section 39A or 39B), in subsections (5) and (6), after “sections 44 to 45A above” there shall be inserted “and Schedule 4A to this Act”.

(12) In section 48C(4) (Category B retirement pension: general), after “sections 44 to 45B above” there shall be inserted “and Schedule 4A to this Act”.

(13) In section 51 (Category B retirement pension for widowers), in subsections (2) and (3), after “sections 44 to 45A above” there shall be inserted “and Schedule 4A to this Act”.

(14) In section 121(1) (interpretation of Parts I to VI and supplementary provisions), after the definition of “entitled” there shall be inserted—

““first appointed year” means such tax year, no earlier than 2002-03, as may be appointed by order, and “second appointed year” means such subsequent tax year as may be so appointed;”.

(15) In section 172 (Assembly, etc. control of regulations and orders)—

(a) in subsection (4), for “subsection (7)” there shall be substituted “subsections (4A) and (7)”; and

(b) after subsection (4) there shall be inserted—

“(4A) Subsection (4) above does not apply to a statutory rule which contains an order appointing the first or second appointed year (within the meaning of section 121(1) above).”.