

*These notes refer to the Pensions Act (Northern Ireland)
2008 (c.1) which received Royal Assent on 11 February 2008*

Pensions Act (Northern Ireland) 2008

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

PART 1: State pension

Entitlement to Category A and B retirement pensions

Section 1: Category A and B retirement pensions: single contribution condition

At present, the contribution conditions for basic state pension are set out in paragraph 5 of Schedule 3 to the Contributions and Benefits Act. *Section 1(3)* inserts a new paragraph 5A which sets out the new single contribution condition that will apply in certain cases from 6th April 2010.

New paragraph 5A(1) sets out the cases in which the new single contribution condition will apply, as determined by when the contributor concerned reaches state pension age:

- a person reaching state pension age on or after 6th April 2010 will be entitled to a Category A pension on satisfying that condition; and
- a spouse or civil partner of a person reaching state pension age on or after 6th April 2010 (or of a person who dies on or after that date without having reached that age) may substitute or inherit a Category B pension based on that person's national insurance record where the contributor concerned satisfied that condition.

Sub-paragraph (2) sets out the new condition which requires that, in order to qualify for a full basic state pension, the contributor concerned must have paid or been credited with Class 1, 2 or 3 national insurance contributions for at least 30 "qualifying years" in their working life. In the case of 1987-88 or a later year, it is also sufficient if the person has been credited with earnings. In addition, for each of those 30 years, the person's earnings factor must be not less than the qualifying earnings factor for that year.

Sub-paragraph (3) defines how earnings factors are to be calculated for these purposes. The earnings factor will be calculated with regard to Class 1 contributions paid or treated as paid, or earnings credited, up to the upper earnings limit, together with any Class 2 or 3 contributions for the year.

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Sub-paragraph (4) enables regulations to be made which modify sub-paragraphs (2) and (3) so as not to prevent people insured under the [National Insurance Act \(Northern Ireland\) 1946 \(c. 23\)](#) or the [National Insurance Act \(Northern Ireland\) 1966 \(c. 6\)](#) who reach state pension age from 6th April 2010 qualifying for basic state pension (Category A and/or B) under the new single contribution condition.