

*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

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### **PART 1: State pension**

#### **Entitlement to Category A and B retirement pensions**

#### ***Section 10: Additional pension: upper accrual point***

*Section 10(1)* amends section 22 of the Contributions and Benefits Act to replace the reference to “the upper earnings limit”, which represents the current end point for additional pension accruals, with reference to “the applicable limit”. Prior to the flat rate introduction year, the applicable limit will remain as the upper earnings limit. From the flat rate introduction year, however, the applicable limit will be the new “upper accrual point”.

*Subsection (2)* amends section 44 of that Act in line with the provisions of *subsection (1)* to replace the upper earnings limit with the upper accrual point as the cap for earnings factors as from the beginning of the flat rate introduction year.

*Subsection (3)* amends section 121 of that Act to define the “upper accrual point”. This will be an amount equivalent to the upper earnings limit multiplied by 52 for the flat rate introduction year, except that there is power for the Department to specify by order a different amount should the forecast earnings growth not result in the low earnings threshold and the upper accrual point converging before 2030.

*Subsections (5) and (6)* allow the Department to make a corresponding order for Northern Ireland where the Secretary of State for Work and Pensions makes an order under section 12 of the 2007 Act. This order would abolish both the low earnings threshold and the upper accrual point when the two converge (expected around 2030).

Increase in state pension age