



2008 CHAPTER 13

PART 2
SIMPLIFICATION ETC.

Private pensions

Abolition of safeguarded rights

79. Part 3A of the Pension Schemes Act (safeguarded rights) ceases to have effect.

Revaluation of accrued benefits etc.

80.—(1) Schedule 1, which—

- (a) amends Schedule 2 to the Pension Schemes Act (methods of revaluing accrued pension benefits),
- (b) amends Schedule 6 to the 2005 Order (pension compensation provisions), and
- (c) makes consequential amendments,

has effect.

(2) The amendments made by Parts 1 and 3 of Schedule 1 do not apply in relation to a revaluation period ending before this section comes into operation.

(3) In subsection (2) “revaluation period” has the same meaning as in paragraph 2(2) of Schedule 2 to the Pension Schemes Act.

State pensions etc.

Consolidation of additional pension

81.—(1) The Contributions and Benefits Act is amended as follows.

(2) Section 45 (the additional pension in a Category A retirement pension) is amended as follows.

(3) In subsection (2) after “1999” insert “but before 6th April 2020”.

(4) After subsection (2) insert—

“(2A) The weekly rate of the additional pension in a Category A retirement pension in any case where the pensioner attained pensionable age in a tax year after 5th April 2020 shall be the sum of the following—

(a) in relation to any tax year before the flat rate introduction year, the revalued consolidated amount, calculated in accordance with Schedule 4C to this Act; and

(b) in relation to the flat rate introduction year and subsequent years, the amount referred to in subsection (2)(d).”.

(5) Schedule 2, which inserts Schedule 4C to the Contributions and Benefits Act, has effect.

(6) In section 47 (increase of Category A retirement pension for invalidity), after subsection (4) insert—

“(4A) Any part of an additional pension resulting from an amount calculated under paragraph 2 of Schedule 4C to this Act by virtue of paragraph 5(a) of that Schedule (the GRB amount) is to be disregarded for the purposes of this section.”.

(7) Section 35 of the National Insurance Act (Northern Ireland) 1966 (c. 6) (graduated retirement benefit) as it continues in force as mentioned in section 62 of the Contributions and Benefits Act, has effect in relation to a person over pensionable age only if the person attained pensionable age before 6th April 2020.

Effect of entitlement to guaranteed minimum pension

82.—(1) The Pension Schemes Act is amended as follows.

(2) In section 42 (effect of entitlement to guaranteed minimum pensions on payment of social security benefits) after subsection (1) insert—

“(1A) Subsection (1) does not apply in relation to a relevant benefit if the weekly rate of the additional pension in that benefit is determined under section 45(2A) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (retirement in tax year after 5th April 2020).

(1B) In subsection (1A) “a relevant benefit” means—

Status: This is the original version (as it was originally enacted).

- (a) a Category A or Category B retirement pension, or
 - (b) a widowed parent's allowance.”.
- (3) After section 42 insert—

“42A Retirement in tax year after 5th April 2020

- (1) Subsection (2) applies where—
- (a) for any period a person is entitled to a Category A or Category B retirement pension, or a widowed parent's allowance, under the 1992 Act (“the benefit”),
 - (b) the person is entitled to one or more guaranteed minimum pensions for that period, and
 - (c) the weekly rate of the additional pension in the benefit is determined under section 45(2A) of the 1992 Act (retirement in tax year after 5th April 2020).
- (2) The weekly rate of the benefit shall, for the period mentioned in subsection (1)(a), be reduced by an amount calculated in accordance with regulations.
- (3) Regulations under subsection (2) must provide for the amount of the reduction to be calculated in such a way that it does not exceed such part of the weekly rate of the additional pension in the benefit as is attributable to earnings factors for tax years ending before the principal appointed day.
- (4) The effect of the reductions made under subsection (2) in relation to any person must be actuarially equivalent to the effect of the reductions that, but for section 42(1A), would be made under section 42(1) in relation to that person.
- (5) Whenever the Secretary of State makes regulations under section 46A(8) of the Pension Schemes Act 1993, the Department must make corresponding provision for Northern Ireland.
- (6) In this section “the 1992 Act” means the Social Security Contributions and Benefits (Northern Ireland) Act 1992.”.

Additional State Pension etc.: minor and consequential amendments

83. Schedule 3 (Additional State Pension etc.: minor and consequential amendments) has effect.

State pension credit: extension of assessed income period for those aged 75 or over

84.—(1) Section 9 of the State Pension Credit Act (Northern Ireland) 2002 (c. 14) (duration of assessed income period) is amended as set out in subsections (2) to (4).

(2) For subsection (1) substitute—

“(1) An assessed income period shall (subject to the following subsections) be—

- (a) in the case of a claimant who is under the age of 75 on the day on which the relevant decision takes effect, the period of 5 years beginning with that day;
- (b) in the case of a claimant who is aged 75 or over on that day, an indefinite period beginning with that day.”.

(3) In paragraph (b) of subsection (2), for the words from “may” to “years” substitute “shall specify a period that is shorter than 5 years”.

(4) After subsection (5) add—

“(6) Where—

- (a) an assessed income period is brought to an end by the expiry of a period of 5 years or more, and
- (b) the claimant is aged 80 or over at that time,

the assessed income period shall be treated as not ending at that time but, subject to subsection (4) and provision made under subsection (5), as continuing indefinitely.”.

(5) The amendments made by subsections (2) and (3) apply only where the relevant decision (within the meaning given by section 6(5) of the State Pension Credit Act (Northern Ireland) 2002) takes effect on or after 6th April 2009.

(6) The subsection added by subsection (4) ceases to have effect on 6th April 2014.

Contracting-out: abolition of all protected rights

85.—(1) As from the contracting-out abolition date, pension schemes are not required to make special provision in relation to the protected rights of members.

(2) Accordingly—

- (a) the provisions of the Pension Schemes Act within subsection (3) cease to have effect as from that date, and
- (b) sections 21A, 23A and 28A of the Pension Schemes Act (as inserted by paragraphs 9, 10 and 12 of Schedule 4 to the Pensions Act (Northern Ireland) 2008 (c. 1)) are not to have any effect as from that date (in spite of section 13(4) of that Act of 2008).

(3) The provisions of the Pension Schemes Act within this subsection are—

- (a) section 6 (protected rights and money purchase benefits),
- (b) section 22 (persons who may establish scheme),
- (c) section 23 (identification and valuation of protected rights),
- (d) section 26 (securing of liability for protected rights),
- (e) section 28 (suspension or forfeiture), and
- (f) section 29A (appropriate schemes: “blowing the whistle”).

(4) In this section—

“the contracting-out abolition date” means the day appointed under section 21 of the Pensions Act (Northern Ireland) 2008 for the coming into operation of section 13(1) of that Act (abolition of contracting-out for defined contribution pension schemes), and

“protected rights” has the same meaning as in the Pension Schemes Act (see section 6 of that Act).