
DRAFT STATUTORY INSTRUMENTS

2003 No.

The Social Security Benefits Up-rating Order 2003

PART II

SOCIAL SECURITY BENEFITS AND PENSIONS

Increase in rates or amounts of certain benefits under the Contributions and Benefits Act

3.—(1) The sums specified in paragraph (2) below shall be increased from and including the respective dates specified in article 6 below so that Schedule 4 to the Contributions and Benefits Act (contributory periodical benefits, non-contributory periodical benefits, increases for dependants and rates of industrial injuries benefit) has effect as set out in Schedule 1 to this Order.

(2) The sums mentioned in paragraph (1) above are the sums specified in Parts I, III, IV and V of Schedule 4 to the Contributions and Benefits Act except in—

- (a) Part I the sum specified for child's special allowance;
- (b) Part III the sum specified for age addition to a pension of any category and otherwise under section 79 of that Act;
- (c) Part IV the sums specified in column (2) (increase for qualifying child); and
- (d) Part V the sums specified for the increase in disablement pension for dependant children, widow's pension (initial rate) and death benefit allowance in respect of children.

Increase in rates or amounts of certain pensions or allowances under the Contributions and Benefits Act

4.—(1) The sums specified in paragraphs (2) to (5) below shall be increased from and including the respective dates specified in article 6 below.

(2) The sums falling to be calculated under paragraph 13(4) of Schedule 7 to the Contributions and Benefits Act (calculation of weekly rate of a beneficiary's retirement allowance) shall be increased by 1.7 per cent. of their amount apart from this Order.

(3) In section 44(4) of the Contributions and Benefits Act⁽¹⁾ (basic pension in a Category A retirement pension)—

- (a) for "£68.05" substitute "£69.20"; and
- (b) for "£75.50" substitute "£77.45".

(4) It is hereby directed⁽²⁾ that the sums which are—

- (a) the additional pensions in long-term benefits calculated by reference to any final relevant year earlier than the tax year 2002-2003 shall be increased by 1.7 per cent. of their amount apart from this Order;

(1) Section 44(4) was substituted by section 68 of the Social Security Act 1998 (c. 14).

(2) See section 151(1) of the Administration Act.

- (b) subject to sub-paragraph (c) below, the increases in the rates of retirement pensions under Schedule 5 to the Contributions and Benefits Act(3) (increase of pension where entitlement is deferred) shall be increased by 6.6 per cent. of their amount apart from this Order;
 - (c) the increases in the rates of retirement pensions relating to additional pensions under Schedule 5 to the Contributions and Benefits Act shall be increased by 1.7 per cent. of their amount apart from this Order; and
 - (d) payable to a pensioner as part of his Category A or Category B retirement pension by virtue of an order made under section 126A of the Social Security Act 1975(4), section 63 of the Social Security Act 1986(5) or section 150(1)(e) of the Social Security Administration Act 1992(6) shall be increased by 1.7 per cent. of their amount apart from this Order.
- (5) The sums which, under—
- (a) section 55A of the Contributions and Benefits Act(7), are shared additional pensions;
 - (b) section 55C of the Contributions and Benefits Act(8), are increases in the rates of such pensions,
- shall in each case be increased by 1.7 per cent. of their amount apart from this Order.

Increase in rates or amounts of certain benefits under the Pension Schemes Act

5.—(1) It is hereby directed(9) that the sums specified in paragraph (2) below shall be increased from and including the respective dates specified in article 6 below.

(2) Sums which are payable by virtue of section 15(1) of the Pension Schemes Act (which provides for increases in a person's guaranteed minimum pension if payment of his occupational pension is postponed after he attains pensionable age) to a person who is also entitled to a Category A or Category B retirement pension (including sums payable by virtue of section 17(2) of that Act), shall be increased by 1.7 per cent. of their amount apart from this Order where the increase under section 15(1) is attributable to earnings factors for the tax year 1987-88 and earlier tax years(10).

Dates on which sums specified for rates or amounts of benefits under the Contributions and Benefits Act or the Pension Schemes Act are increased by this Order

6.—(1) Paragraphs (2) to (9) of this article, which are subject to the provisions of paragraphs (10) and (11) below, specify the date on which the increases made by this Order in the sums specified for rates or amounts of benefit under the Contributions and Benefits Act or the Pension Schemes Act shall take effect for each case.

(2) Subject to paragraph (3) below, any increases in the sums mentioned in articles 3, 4 and 12 of this Order for Category A and Category B retirement pension and graduated retirement benefit together with, where appropriate, any increases for dependants, shall take effect on 7th April 2003.

- (3) In the case of a person over pensionable age—
 - (a) whose entitlement to a Category A retirement pension is deferred; and

(3) Schedule 5 was amended by paragraph 42 of Schedule 8 to the 1993 Act, paragraph 40 of Schedule 1 to the 1994 Act and paragraphs 6 and 21 of Schedule 4, and Schedule 7, to the Pensions Act 1995.

(4) 1975 c. 14; section 126A was inserted by section 12 of the Social Security Act 1979 (c. 18) and repealed by section 86 of, and Schedule 11 to, the Social Security Act 1986 (c. 50).

(5) Section 63 was repealed by Schedule 1 to the Social Security (Consequential Provisions) Act 1992 (c. 6).

(6) 1992 c. 5.

(7) Section 55A was inserted by paragraph 3 of Schedule 6 to the 1999 Act.

(8) Section 55C was inserted by paragraph 3 of Schedule 6 to the 1999 Act.

(9) See section 151(2) of the Administration Act.

(10) See section 151(4) of the Administration Act. Under section 151(4), where an increment under section 15(1) of the 1993 Act is increased by an order under section 109 of that Act, the increase that would otherwise fall to be made by this Order is reduced by the amount of the increase under section 109. Section 109 of the 1993 Act was amended by section 55 of the Pensions Act 1995.

(b) for whom the rate of short-term incapacity benefit falls to be calculated in accordance with section 30B(3) of the Contributions and Benefits Act(11),
any increases in the sums mentioned in articles 3, 4 and 12 of this Order for Category A and Category B retirement pension and graduated retirement benefit together with, where appropriate, any increases for dependants, shall take effect on 10th April 2003.

(4) The increases in the sums mentioned in articles 4(4)(d) and 5(2) shall take effect on 7th April 2003.

(5) Any increases in the sums specified for—

(a) the rate of—

- (i) Category C and Category D retirement pension,
- (ii) child's special allowance(12),
- (iii) attendance allowance,
- (iv) carer's allowance(13) (except in a case where the Secretary of State has made arrangements for it to be paid on a Wednesday), and
- (v) guardian's allowance; and

(b) any increases in—

- (i) Category C retirement pension and carer's allowance referred to in heads (i) and (iv) of sub-paragraph (a) above, and
- (ii) maternity allowance, widowed mother's allowance and widowed parent's allowance,

in respect of dependants,

shall in all cases take effect on 7th April 2003.

(6) Any increases in the sums specified for—

(a) the rate of—

- (i) carer's allowance in a case where the Secretary of State has made arrangements for it to be paid on a Wednesday,
- (ii) disablement benefit,
- (iii) maximum disablement gratuity under paragraph 9(2) of Schedule 7 to the Contributions and Benefits Act,
- (iv) industrial death benefit by way of widow's and widower's pension and allowance in respect of children, and
- (v) the maximum of the aggregate of weekly benefit payable for successive accidents, under section 107(1) of the Contributions and Benefits Act; and

(b) any increases in—

- (i) the benefits referred to in heads (i), (iii) and (iv) of sub-paragraph (a) above in respect of dependants, and
- (ii) disablement pension,

shall in all cases take effect on 9th April 2003.

(11) Section 30B was inserted by section 2(1) of the 1994 Act and subsection (3) was amended by paragraph 21(3) of Schedule 4 to the Pensions Act 1995.

(12) Child's special allowance was abolished except for existing beneficiaries as from 6th April 1987 (*see* section 56 of the Social Security Contributions and Benefits Act 1992 (c. 4) ("the Contributions and Benefits Act")).

(13) Article 2 of the Regulatory Reform (Carer's Allowance) Order 2002 (S.I.2002/1457) provides that invalid care allowance is to be known as carer's allowance from 1st April 2003.

(7) In any case where a person's weekly rate of Category A or Category B retirement pension falls to be increased under the provisions of section 47(1) or 48C(2) of the Contributions and Benefits Act(14) by reference to the weekly rate of invalidity allowance or age addition to long-term incapacity benefit to which he was previously entitled, any increase in such sum shall take effect on 7th April 2003.

(8) The increases in the sums specified for the rate of incapacity benefit and severe disablement allowance (together with, where appropriate, any increases for dependants) shall take effect in all cases on 10th April 2003.

(9) The increases in the sums falling to be calculated in accordance with paragraph 13(4) of Schedule 7 to the Contributions and Benefits Act (retirement allowance) shall take effect on 9th April 2003.

(10) In the case of a person who is subject to the provisions of regulations made under section 73(1)(b) of the Social Security Administration Act 1992(15) (adjustment of benefit for persons undergoing medical or other treatment as an in-patient in a hospital) the increase in the sum mentioned in article 4(3)(b) of this Order shall take effect in that case on the day on which the increase in the benefit payable to him apart from those regulations takes effect.

(11) Any increases in the sums specified in articles 3 and 22(c) of this Order, in so far as those sums are relevant for the purposes of establishing whether the rate of any benefit is not to be increased in respect of an adult dependant because the earnings of the dependant exceed a specified amount(16), shall take effect—

- (a) except in a case where sub-paragraph (b) below applies, on the first day of the first benefit week to commence for the beneficiary on or after 7th April 2003;
- (b) in a case where regulation 7(b) of the Computation of Earnings Regulations (date on which earnings are treated as paid) applies, on the first day of the first benefit week to commence for the beneficiary on or after 1st April 2003,

and for the purposes of this paragraph, "benefit week" has the same meaning as in regulation 2(1) of the Computation of Earnings Regulations.

Increase in rates of certain workmen's compensation and industrial diseases benefits in respect of employment before 5th July 1948

7. From and including—

- (a) 9th April 2003, for "£42.45" referred to in paragraph 2(6)(c) of Schedule 8 to the Contributions and Benefits Act (maximum weekly rate of lesser incapacity allowance supplementing workmen's compensation);
- (b) 10th April 2003, for that sum referred to in paragraph 6(2)(b) of that Schedule (industrial diseases benefit schemes: weekly rate of allowance payable where disablement is not total),

substitute "£43.15".

(14) Section 47(1) was amended by paragraph 13 of Schedule 1 to the 1994 Act; section 48C was inserted by paragraph 3 of Schedule 4 to the Pensions Act 1995 and amended by paragraph 7 of Schedule 8 to the 1999 Act.

(15) Section 73(1) was amended by paragraph 49(2) of Schedule 2 to the 1995 Act.

(16) See sections 82(3)(a), 83(2)(b) and 84(2)(b) of the Contributions and Benefits Act, regulations 8 and 10(2) of, and paragraph 7 of Schedule 2 to, the Social Security Benefit (Dependency) Regulations 1977 (S.I. 1977/343) and regulation 10 of the Social Security (Incapacity Benefit—Increases for Dependants) Regulations 1994 (S.I. 1994/2945). Relevant amending instruments are S.I. 1984/1698 and 1699, 1988/554, 1989/523 and 1642, 1992/3041, 1994/2945 and 1996/1345 and 2745.

Earnings Limits

8. In section 80(4) of the Contributions and Benefits Act (earnings limits in respect of child dependency increases)—

- (a) for “£155.00”, in both places where it occurs, substitute “£160.00”; and
- (b) “£20.00” remains unchanged.

Statutory Sick Pay

9. In section 157(1) of the Contributions and Benefits Act (rate of payment of statutory sick pay) for “£63.25” substitute “£64.35”.

Statutory Maternity Pay

10. In regulation 6 of the Statutory Maternity Pay (General) Regulations 1986(17) (prescribed rate of statutory maternity pay) “£100.00” remains unchanged.

Statutory Paternity Pay and Statutory Adoption Pay

11. In the Statutory Paternity Pay and Statutory Adoption Pay (Weekly Rates) Regulations 2002(18)—

- (a) in regulation 2 (weekly rate of payment of statutory paternity pay)—
 - (i) in paragraph (1) “£75.00” remains unchanged(19), and
 - (ii) in paragraph (2)(a) “£100.00” remains unchanged; an
- (b) in regulation 3(a) (weekly rate of payment of statutory adoption pay) “£100.00” remains unchanged.

Increase in rate of graduated retirement benefit

12.—(1) In section 36(1) of the National Insurance Act 1965(20) (graduated retirement benefit)—

- (a) the sum of 9.21 pence shall be increased by 1.7 per cent.; and
- (b) from and including 7th April 2003 the reference in that provision to that sum shall have effect as a reference to 9.37 pence.

(2) The sums which are the increases of graduated retirement benefit under Schedule 2 to the Social Security (Graduated Retirement Benefit) (No. 2) Regulations 1978(21) (increases for deferred retirement) shall be increased by 1.7 per cent. of their amount apart from this Order.

(3) The sums which are the additions under section 37(1) of the National Insurance Act 1965 (additions for widows and widowers) shall be increased by 1.7 per cent. of their amount apart from this Order.

(17) S.I. 1986/1960; relevant amending instrument is S.I. 2002/2690.

(18) S.I. 2002/2818.

(19) The rate stated is the rate applicable where the paternity pay period begins before 6th April 2003.

(20) 1965 c. 51. Sections 36 and 37 were repealed by the Social Security Act 1973 (c. 38) but are continued in force by regulation 3 of the Social Security (Graduated Retirement Benefit) (No. 2) Regulations 1978 (S.I. 1978/393), in the modified form set out in Schedule 1 to those Regulations; relevant amending instrument is S.I. 1989/1642. See also regulation 2 of those Regulations, which was substituted by S.I. 1995/2606.

(21) Relevant amending instrument is S.I. 1989/1642.

Increase in rates of Disability Living Allowance

13. In regulation 4 of the Social Security (Disability Living Allowance) Regulations 1991⁽²²⁾ (rate of benefit)—

- (a) in paragraph (1)(a) for “£56.25” substitute “£57.20”;
- (b) in paragraph (1)(b) for “£37.65” substitute “£38.30”;
- (c) in paragraph (1)(c) for “£14.90” substitute “£15.15”;
- (d) in paragraph (2)(a) for “£39.30” substitute “£39.95”; and
- (e) in paragraph (2)(b) for “£14.90” substitute “£15.15”.

Sums specified for child benefit

14. In regulation 2(1) of the Child Benefit and Social Security (Fixing and Adjustment of Rates) Regulations 1976⁽²³⁾ (weekly rates of child benefit)—

- (a) in sub-paragraph (a)(i) for “£15.75” substitute “£16.05”;
- (b) in sub-paragraph (a)(ii) “£17.55” remains unchanged; and
- (c) in sub-paragraph (b) for “£10.55” substitute “£10.75”.

Increase in rates of age addition to long-term incapacity benefit

15. In regulation 10(2) of the Social Security (Incapacity Benefit) Regulations 1994⁽²⁴⁾ (increase in rate of incapacity benefit where beneficiary is under prescribed age on the qualifying date)—

- (a) in sub-paragraph (a) for “£14.90” substitute “£15.15”; and
- (b) in sub-paragraph (b) for “£7.45” substitute “£7.60”.

Increase in rates of transitional invalidity allowance in long-term incapacity benefit cases

16. In regulation 18(2) of the Social Security (Incapacity Benefit) (Transitional) Regulations 1995⁽²⁵⁾ (rate of long-term incapacity benefit in transitional cases)—

- (a) in sub-paragraph (a) for “£14.90” substitute “£15.15”;
- (b) in sub-paragraph (b) for “£9.50” substitute “£9.70”; and
- (c) in sub-paragraph (c) for “£4.75” substitute “£4.85”.

⁽²²⁾ S.I. 1991/2890; relevant amending instruments are S.I. 1993/1939 and 2002/668.

⁽²³⁾ S.I. 1976/1267; see the Child Benefit and Social Security (Fixing and Adjustment of Rates) (Amendment) Regulations 1998 (S.I. 1998/1581) which revoked regulation 2(1)(a)(ii) of S.I. 1976/1267 and made transitional and saving provisions. Relevant amending instruments are S.I. 1977/1328, 1991/502, 1996/1803, 1998/1581 and 2002/668.

⁽²⁴⁾ S.I. 1994/2946; relevant amending instrument is S.I. 2002/668.

⁽²⁵⁾ S.I. 1995/310; relevant amending instrument is S.I. 2002/668.