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DRAFT STATUTORY INSTRUMENTS

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**2020 No.**

**The Social Security Benefits Up-rating Order 2020**

**PART 2**

**SOCIAL SECURITY BENEFITS AND PENSIONS**

**Rates or amounts of certain benefits under the Contributions and Benefits Act**

**3.—**(1) From and including the respective dates specified in article 7, the sums specified in paragraph (2) shall be increased 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), except paragraph 5 of Part III of that Schedule (guardian's allowance), has effect as set out in Schedule 1 to this Order.

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

- (a) Part III, the sum specified for age addition to a pension of any category and otherwise under section 79 of that Act;
- (b) Part IV, the sums specified in column (2) (increase for qualifying child); and
- (c) Part V, the sums specified for the increase in disablement pension for dependent children and death benefit allowance in respect of children and qualifying young persons<sup>(1)</sup>.

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

**4.—**(1) The sums specified in paragraphs (2) to (5) shall be increased from and including the respective dates specified in article 7.

(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.

(3) In section 44(4) of the Contributions and Benefits Act<sup>(2)</sup> (basic pension in a Category A retirement pension)—

- (a) for “£107.65” substitute “£109.50”; and
- (b) for “£129.20” substitute “£134.25”.

(4) It is directed<sup>(3)</sup> that the sums which are—

- (a) additional pensions in long-term benefits calculated by reference to any final relevant year earlier than the tax year 2019-2020;

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(1) Part V of Schedule 4 to the Contributions and Benefits Act was amended by paragraph 15 of Schedule 1 to the Child Benefit Act 2005 (c. 6) (“the 2005 Act”).

(2) Section 44(4) was substituted by section 68 of the 1998 Act and amended by Schedule 8 to the Welfare Reform Act 2007 and S.I. 2015/457, 2017/260, 2018/281 and 2019/480.

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

- (b) increases in the rates of retirement pensions under Schedule 5 to the Contributions and Benefits Act(4) (pension increase or lump sum where entitlement to retirement pension is deferred);
- (c) lump sums to which surviving spouses or civil partners will become entitled under paragraph 7A of that Schedule(5) on becoming entitled to a Category A or Category B retirement pension (entitlement to lump sum where pensioner’s deceased spouse or civil partner has deferred entitlement); and
- (d) payable to a pensioner as part of their Category A or Category B retirement pension by virtue of an order made under section 126A of the Social Security Act 1975(6), section 63 of the Social Security Act 1986(7) or section 150(1)(e) of the Social Security Administration Act 1992,

shall in each case be increased by 1.7 per cent.

(5) The sums which, under—

- (a) section 55A and 55AA of the Contributions and Benefits Act(8), are shared additional pensions; and
- (b) paragraph 2 of Schedule 5A to the Contributions and Benefits Act(9), are increases in the rates of such pensions,

shall in each case be increased by 1.7 per cent.

#### **Increase in rates or amount of certain benefits under the Pension Schemes Act**

5.—(1) It is directed(10) that the sums specified in paragraph (2) shall be increased from and including the respective dates specified in article 7.

(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 their occupational pension is postponed after they attain 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)(11) and (3) of that Act) shall be increased by 1.7 per cent. where the increase under section 15(1) is attributable to earnings factors for the tax year 1987-88 and earlier tax years(12).

#### **Increase in rates or amounts of certain pensions under Part 1 of the Pensions Act**

6.—(1) The sums specified in paragraphs (2) to (4) shall be increased from and including the date specified in article 7(10).

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- (4) Schedule 5 was amended by paragraph 42 of Schedule 8 to the Pension Schemes Act, paragraph 40 of Schedule 1 to the 1994 Act, paragraphs 6 and 21 of Schedule 4, and Schedule 7, to the Pensions Act 1995, section 39 of the Child Support, Pensions and Social Security Act 2000 (c. 19) (“the 2000 Act”), Schedule 6 to the Tax Credits Act, paragraphs 2 to 14 of Schedule 11 to the Pensions Act 2004 (c. 35), paragraphs 19 and 20 of Schedule 1, and Schedule 7, to the Pensions Act 2007, paragraph 94 of Schedule 12 to the Pensions Act and S.I. 2005/2053 and 2014/560 and 3168.
  - (5) Paragraph 7A was inserted by paragraph 11 of Schedule 11 to the Pensions Act 2004 and amended by S.I. 2005/2053.
  - (6) 1975 c. 14; section 126A was inserted by section 12 of the Social Security Act 1979 (c. 18) and repealed by Schedule 11 to the Social Security Act 1986 (c. 50).
  - (7) Section 63 was repealed by Schedule 1 to the Social Security (Consequential Provisions) Act 1992 (c. 6).
  - (8) Section 55A was inserted by paragraph 3 of Schedule 6 to the 1999 Act and amended by section 41(3) of the 2000 Act and paragraph 5 of Schedule 11 to the Pensions Act. Section 55AA was inserted by paragraph 6 of Schedule 11 to the Pensions Act.
  - (9) Schedule 5A was inserted by paragraph 15 of Schedule 11 to the Pensions Act 2004.
  - (10) See section 151(2) of the Administration Act.
  - (11) Section 17(2) was amended by S.I. 2005/2050.
  - (12) See section 151(4) of the Administration Act. Under section 151(4), where an increment under section 15(1) of the Pension Schemes 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 Pension Schemes Act was amended by section 55 of the Pensions Act 1995. The Guaranteed Minimum Pensions Increase Order 2020 (S.I. 2020/) provides for an increase of 1.7 per cent. where the increase under section 15(1) is attributable to the tax years 1988-89 and subsequent tax years up to and including 1996-97.

(2) In regulation 1A of the State Pension Regulations 2015<sup>(13)</sup> (full rate of state pension) for “£168.60” substitute “£175.20”.

(3) It is directed<sup>(14)</sup> that the sums which are increases under section 17 of the Pensions Act in the rates of state pensions under Part 1 of that Act shall be increased by 1.7 per cent.

(4) The amounts which, under—

- (a) section 9 of the Pensions Act, are survivor’s pensions based on inheritance of deferred old state pension;
- (b) paragraph 4(3) of Schedule 2 to the Pensions Act, are the amounts of state pensions under Part 1 of the Pensions Act at the transitional rate which exceed the full rate;
- (c) paragraphs 5(3) and 6 of Schedule 4 to the Pensions Act, are the amounts of survivor’s pensions which either alone or in combination with one or more other pensions under Part 1 of that Act exceed the full rate; and
- (d) paragraphs 5(3) and 6 of Schedule 9 to the Pensions Act, are the amounts of shared state pensions under Part 1 of the Pensions Act which either alone or in combination with one or more other pensions under Part 1 of that Act exceed the full rate,

shall in each case be increased by 1.7 per cent.

(5) For the purpose of this article, “old state pension” has the same meaning as in section 22 of the Pensions Act.

**Dates on which sums specified for rates or amounts of benefits in articles 3, 4, 5, 6, 12, 13 and 14 are changed by this Order**

7.—(1) Paragraph (7), which is subject to the provisions of paragraph (9), and paragraphs (2) to (6), (8), (10) and (11) specify the date on which the changes made by this Order in the sums specified for rates or amounts of benefit in articles 3, 4, 5, 6, 12, 13 and 14 shall take effect for each case.

(2) Any increases in the sums mentioned in articles 3, 4, 12 and 13 for Category A, Category B, Category C and Category D retirement pension and graduated retirement benefit together with, where appropriate, any increases for dependants, shall take effect on 6th April 2020.

(3) The increases in the sums mentioned in article 5 shall take effect on 6th April 2020.

(4) Any increases in the sums specified for the rate of—

- (i) attendance allowance, and
- (ii) carer’s allowance (except in a case where the Secretary of State has made arrangements for it to be paid on a Wednesday)

shall take effect on 6th April 2020.

(5) 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

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<sup>(13)</sup> S.I. 2015/173; regulation 1A was inserted by S.I. 2016/227. Relevant amending instrument is S.I. 2019/480.

<sup>(14)</sup> See section 151(2) of the Administration Act.

- (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 paragraphs (i), (ii) and (iv) of sub-paragraph (a) in respect of dependants, and
    - (ii) disablement pension,
- shall take effect on 8th April 2020.

(6) 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(15) by reference to the weekly rate of invalidity allowance or age addition to long-term incapacity benefit to which the person was previously entitled, any increase in such sum shall take effect on 6th April 2020.

(7) The changes 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 on 9th April 2020.

(8) 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 8th April 2020.

(9) Any increase in the sum specified in article 26(b) of this Order, in so far as that sum is 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) applies, on the first day of the first benefit week to commence for the beneficiary on or after 6th April 2020;
- (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 2020,

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

(10) Any increases in the sums mentioned in article 6 for state pension under Part 1 of the Pensions Act shall take effect on 6th April 2020.

(11) The increase in the sum mentioned in article 14 shall take effect on 6th April 2020.

### Earnings Limits

**8.** In section 80(4) of the Contributions and Benefits Act(17) (earnings limits in respect of child dependency increases)—

- (a) for “£240.00”, in both places where it occurs, substitute “£245.00”; and
- (b) for “£32.00” substitute “£33.00”.

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(15) 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 [S.I. 2005/2053](#).

(16) See section 82(3)(a) 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](#)) (“the 1977 Regulations”) 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](#), [1987/355](#), [1988/554](#), [1989/523](#) and [1642](#), [1992/3041](#), [1994/2945](#), [1996/1345](#) and [2745](#), [2002/2497](#), [2005/2877](#) and [2006/692](#). Paragraph 7 of Schedule 2 to the 1977 Regulations was also amended by section 37 of the Social Security Act 1986.

(17) Section 80 was repealed by Schedule 6 to the Tax Credits Act. Article 3 of [S.I. 2003/938](#) saves the repealed provision in certain circumstances. Relevant amending instrument is [S.I. 2019/480](#).

### Statutory Sick Pay

**9.** In section 157(1) of the Contributions and Benefits Act(**18**) (rate of payment of statutory sick pay) for “£94.25” substitute “£95.85”.

### Statutory Maternity Pay

**10.** In regulation 6 of the Statutory Maternity Pay (General) Regulations 1986(**19**) (prescribed rate of statutory maternity pay) for “£148.68” substitute “£151.20”.

### Statutory Paternity Pay, Statutory Adoption Pay and Statutory Shared Parental Pay

**11.**—(1) In the Statutory Paternity Pay and Statutory Adoption Pay (Weekly Rates) Regulations 2002(**20**)—

- (a) in regulation 2(a) (weekly rate of payment of statutory paternity pay) for “£148.68” substitute “£151.20”; and
- (b) in regulation 3(a) (weekly rate of payment of statutory adoption pay) for “£148.68” substitute “£151.20”.

(2) In regulation 40(1)(a) of the Statutory Shared Parental Pay (General) Regulations 2014(**21**) (weekly rate of payment of statutory shared parental pay) for “£148.68” substitute “£151.20”.

### Increase in rate of graduated retirement benefit

**12.**—(1) In section 36(1) of the National Insurance Act 1965(**22**) (graduated retirement benefit)—

- (a) the sum of “14.16” pence shall be increased by 1.7 per cent; and
- (b) the reference to that sum shall have effect as a reference to “14.40” 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(**23**) (increases for deferred retirement) shall be increased by 1.7 per cent.

(3) The sums which are lump sums to which surviving spouses or civil partners will become entitled under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005(**24**) (increases of graduated retirement benefit and lump sums) shall be increased by 1.7 per cent.

(4) 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.

### Increase in amount of Category C retirement pension under the Social Security (Widow’s Benefit and Retirement Pensions) Regulations 1979

**13.** In regulation 11(3) of the Social Security (Widow’s Benefit and Retirement Pensions) Regulations 1979(**25**) (Category C retirement pension for widows of men over pensionable age on 5th July 1948) for “£77.45” substitute “£80.45”.

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(18) Relevant amending instrument is [S.I. 2019/480](#).

(19) [S.I. 1986/1960](#); relevant amending instruments are [S.I. 2002/2690](#) and [2019/480](#).

(20) [S.I. 2002/2818](#); relevant amending instruments are [S.I. 2004/925](#) and [2019/480](#).

(21) [S.I. 2014/3051](#); relevant amending instrument is [S.I. 2019/480](#).

(22) [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 instruments are [S.I. 1989/1642](#), [1995/2606](#), [1996/1345](#), [2005/454](#) and [3078](#) and [2019/480](#). See also regulation 2 of those Regulations, which was substituted by [S.I. 1995/2606](#).

(23) [S.I. 1978/393](#); relevant amending instruments are [S.I. 1989/1642](#), [2005/454](#) and [2019/480](#).

(24) [S.I. 2005/454](#); relevant amending instruments are [S.I. 2005/2677](#) and [3078](#) and [2019/480](#).

(25) [S.I. 1979/642](#); relevant amending instruments are [S.I. 1987/1854](#), [1989/1642](#), [2015/1985](#) and [2019/480](#).

### Maximum additional pension

14. In regulation 3A of the Social Security (Maximum Additional Pension) Regulations 2010(26) (prescribed maximum additional pension for survivors who become entitled on or after 6th April 2016) for “£176.41” substitute “£179.41”.

### Increase in rates of Disability Living Allowance

15. In regulation 4 of the Social Security (Disability Living Allowance) Regulations 1991(27) (rate of benefit)—

- (a) in paragraph (1)(a) for “£87.65” substitute “£89.15”;
- (b) in paragraph (1)(b) for “£58.70” substitute “£59.70”;
- (c) in paragraph (1)(c) for “£23.20” substitute “£23.60”;
- (d) in paragraph (2)(a) for “£61.20” substitute “£62.25”; and
- (e) in paragraph (2)(b) for “£23.20” substitute “£23.60”.

### Increase in rates of Personal Independence Payment

16. In regulation 24 of the Social Security (Personal Independence Payment) Regulations 2013(28) (rate of personal independence payment)—

- (a) in paragraph (1)(a) for “£58.70” substitute “£59.70”;
- (b) in paragraph (1)(b) for “£87.65” substitute “£89.15”;
- (c) in paragraph (2)(a) for “£23.20” substitute “£23.60”; and
- (d) in paragraph (2)(b) for “£61.20” substitute “£62.25”.

### Rates of age addition

17.—(1) Subject to paragraph (2), in regulation 10(2) of the Social Security (Incapacity Benefit) Regulations 1994(29) (increase in rate of incapacity benefit where beneficiary is under prescribed age on the qualifying date)—

- (a) in sub-paragraph (a) for “£22.90” substitute “£23.30”; and
- (b) in sub-paragraph (b) for “£11.50” substitute “£11.70”.

(2) In the case of a claimant entitled to long-term incapacity benefit who was subject to regulation 2(3) of the Employment and Support Allowance (Up-rating Modification) (Transitional) Regulations 2008(30) the sums specified in regulation 10(2)(a) and (b) of the Social Security (Incapacity Benefit) Regulations 1994 shall be increased to “£12.10” and “£6.70” respectively.

### Rates of transitional invalidity allowance

18.—(1) Subject to paragraph (2), in regulation 18(2) of the Social Security (Incapacity Benefit) (Transitional) Regulations 1995(31) (rate of long-term incapacity benefit in transitional cases)—

- (a) in sub-paragraph (a) for “£22.90” substitute “£23.30”;
- (b) in sub-paragraph (b) for “£14.70” substitute “£14.90”; and

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(26) S.I. 2010/426; regulation 3A was inserted by S.I. 2015/1985 and amended by S.I. 2019/480.

(27) S.I. 1991/2890; relevant amending instruments are S.I. 1993/1939 and 2019/480.

(28) S.I. 2013/377; relevant amending instrument is S.I. 2019/480.

(29) S.I. 1994/2946; relevant amending instrument is S.I. 2019/480.

(30) S.I. 2008/3270.

(31) S.I. 1995/310; relevant amending instrument is S.I. 2019/480.

(c) in sub-paragraph (c) for “£7.35” substitute “£7.45”.

(2) In the case of a claimant entitled to long-term incapacity benefit who was subject to regulation 2(3) of the Employment and Support Allowance (Up-rating Modification) (Transitional) Regulations 2008 the sums specified in regulation 18(2)(a), (b) and (c) of the Social Security (Incapacity Benefit) (Transitional) Regulations 1995 shall be increased to “£12.10”, “£6.70” and “£6.70” respectively.

### **Rates of bereavement benefits**

**19.** In the Rate of Bereavement Benefits Regulations 2010(**32**)—

- (a) in regulation 2 (rate of widowed mother’s allowance and widow’s pension) for “£119.90” substitute “£121.95”; and
- (b) in regulation 3 (rate of widowed parent’s allowance) for “£119.90” substitute “£121.95”.

### **Rates of bereavement support payment**

**20.** In regulation 3 of the Bereavement Support Payment Regulations 2017(**33**) (rate of bereavement support payment)—

- (a) in paragraph (1) “£350” remains unchanged;
- (b) in paragraph (2) “£3,500” remains unchanged;
- (c) in paragraph (4) “£100” remains unchanged; and
- (d) in paragraph (5) “£2,500” remains unchanged.

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(32) [S.I. 2010/2818](#); relevant amending instruments are [S.I. 2017/422](#) and [2019/480](#).

(33) [S.I. 2017/410](#).