



Social Security Administration Act 1992

1992 CHAPTER 5

PART X

REVIEW AND ALTERATION OF BENEFITS

150 Annual up-rating of benefits

- (1) The Secretary of State shall in each tax year review the sums—
- (a) specified in the following provisions of the Contributions and Benefits Act—
 - (i) Schedule 4;
 - (ii) section 44(4); and
 - (iii) paragraphs 2(6)(c) and 6(2)(b) of Schedule 8;
 - (b) specified in regulations under section 72(3) or 73(10) of that Act;
 - (c) which are the additional pensions in long-term benefits;
 - (d) which are the increases in the rates of retirement pensions under Schedule 5 to the Contributions and Benefits Act;
 - (e) which are—
 - (i) payable by virtue of section 35(6) of the Pensions Act to a person who is also entitled to a Category A or Category B retirement pension (including sums payable by virtue of section 36(3)); or
 - (ii) payable to such a person as part of his Category A or Category B retirement pension by virtue of an order made under this section by virtue of this paragraph or made under section 126A of the 1975 Act or section 63(1)(d) of the 1986 Act;
 - (f) specified in section 80(4) of the Contributions and Benefits Act;
 - (g) falling to be calculated under paragraph 13(4) of Schedule 7 to that Act;
 - (h) prescribed for the purposes of section 128(5) or 129(8) of that Act or specified in regulations under section 135(1);
 - (i) specified by virtue of section 145(1) of that Act;
 - (j) specified in section 157(1) of that Act or in regulations under section 166(3);

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in order to determine whether they have retained their value in relation to the general level of prices obtaining in Great Britain estimated in such manner as the Secretary of State thinks fit.

- (2) Where it appears to the Secretary of State that the general level of prices is greater at the end of the period under review than it was at the beginning of that period, he shall lay before Parliament the draft of an up-rating order—
 - (a) which increases each of the sums to which subsection (3) below applies by a percentage not less than the percentage by which the general level of prices is greater at the end of the period than it was at the beginning; and
 - (b) if he considers it appropriate, having regard to the national economic situation and any other matters which he considers relevant, which also increases by such a percentage or percentages as he thinks fit any of the sums mentioned in subsection (1) above but to which subsection (3) below does not apply; and
 - (c) stating the amount of any sums which are mentioned in subsection (1) above but which the order does not increase.
- (3) This subsection applies to sums—
 - (a) specified in Part I, paragraph 1, 2, 4, 5 or 6 of Part III, Part IV or Part V of Schedule 4 to the Contributions and Benefits Act;
 - (b) mentioned in subsection (1)(a)(ii) or (iii), (b), (c), (d), (e) or (g) above.
- (4) Subsection (2) above shall not require the Secretary of State to provide for an increase in any case in which it appears to him that the amount of the increase would be inconsiderable.
- (5) The Secretary of State may, in providing for an increase in pursuance of subsection (2) above, adjust the amount of the increase so as to round any sum up or down to such extent as he thinks appropriate.
- (6) Where subsection (2) above requires the Secretary of State to lay before Parliament the draft of an order increasing any sum that could be reduced under section 154(1) below, the order may make such alteration to that sum as reflects the combined effect of that increase and of any reduction that could be made under that subsection.
- (7) If the Secretary of State considers it appropriate to do so, he may include in the draft of an up-rating order, in addition to any other provisions, provisions increasing any of the sums for the time being specified in regulations under Part VII of the Contributions and Benefits Act or which are additions to income support under regulations made under section 89 of the 1986 Act.
- (8) The Secretary of State shall lay with any draft order under this section a copy of a report by the Government Actuary or the Deputy Government Actuary giving that Actuary's opinion on the likely effect on the National Insurance Fund of such parts of the order as relate to sums payable out of that Fund.
- (9) If a draft order laid before Parliament in pursuance of this section is approved by a resolution of each House, the Secretary of State shall make the order in the form of the draft.
- (10) An order under this section—
 - (a) shall be framed so as to bring the alterations to which it relates into force—
 - (i) in the week beginning with the first Monday in the tax year; or
 - (ii) on such earlier date in April as may be specified in the order;

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- (b) may make such transitional provision as the Secretary of State considers expedient in respect of periods of entitlement—
 - (i) to family credit;
 - (ii) to disability working allowance; or
 - (iii) to statutory sick pay,running at the date when the alterations come into force.
- (11) So long as sections 36 and 37 of the National Insurance Act 1965 (graduated retirement benefit) continue in force by virtue of regulations made under Schedule 3 to the Social Security (Consequential Provisions) Act 1975 or under Schedule 3 to the Consequential Provisions Act, regulations may make provision for applying the provisions of this section to the amount of graduated retirement benefit payable for each unit of graduated contributions and to increases of such benefit under any provisions made by virtue of section 24(1)(b) of the Pensions Act or section 62(1)(a) of the Contributions and Benefits Act.

151 Up-rating - supplementary

- (1) Any increase under section 150 above of the sums mentioned in subsection (1)(c) of that section shall take the form of a direction that those sums shall be increased by a specified percentage of their amount apart from the order and shall apply only in relation to additional pensions calculated under section 45 of the Contributions and Benefits Act by reference to final relevant years which are—
- (a) earlier than the tax year preceding that in which the order comes into force; or
 - (b) if the order comes into force on or after 6th May in any tax year, earlier than that year.
- (2) Any increase under section 150 above of the sums mentioned in subsection (1)(d) or (e) of that section shall take the form of a direction that those sums shall be increased by a specified percentage of their amount apart from the order and shall apply only in relation to sums calculated under Schedule 5 to the Contributions and Benefits Act by reference to periods of deferment which have ended before the coming into force of the order.
- (3) An increase in a sum such as is specified in section 150(1)(e)(ii) above shall form part of the Category A or Category B retirement pension of the person to whom it is paid and an increase in a sum such as is specified in section 150(1)(e)(i) above shall be added to and form part of that pension but shall not form part of the sum increased.
- (4) Where any increment under section 35(6) of the Pensions Act—
- (a) is increased in any tax year by an order under section 37A of that Act; and
 - (b) in that tax year also falls to be increased by an order under section 150 above,
- the increase under that section shall be the amount that would have been specified in the order, but for this subsection, less the amount of the increase under section 37A.
- (5) Where sums are payable to a person by virtue of section 35(6) of the Pensions Act (including such sums payable by virtue of section 36(3) of that Act) during a period ending with the date on which he became entitled to a Category A or Category B retirement pension, then, for the purpose of determining the amount of his Category A or Category B retirement pension, orders made under section 150 above during that period shall be deemed to have come into force (consecutively in the order in which they were made) on the date on which he became entitled to that pension.

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- (6) Any increase under section 150 above of any of the sums which are additions to income support mentioned in section 150(7) above shall take the form of a direction that any such sum shall be increased by a specified percentage of its amount apart from the order.

152 Rectification of mistakes in orders under section 150

- (1) If the Secretary of State is satisfied that a mistake (whether in computation or otherwise) has occurred in the preparation of the previous order under section 150 above, he may by order vary the amount of any one or more of the sums specified in an enactment mentioned in subsection (1)(a) of that section by increasing or reducing it to the level at which it would have stood had the mistake not occurred.
- (2) Where the amount of any such sum is varied under this section, then, for the purposes of the next review and order under that section, the amount of the sum shall be taken to be, and throughout the period under review to have been, its amount as so varied.

153 Annual review of child benefit

The Secretary of State shall review the level of child benefit in April of each year, taking account of increases in the Retail Price Index and other relevant external factors.

154 Social security benefits in respect of children

- (1) Regulations may, with effect from any day on or after that on which there is an increase in the rate or any of the rates of child benefit, reduce any sum specified in any of the provisions mentioned in subsection (2) below to such extent as the Secretary of State thinks appropriate having regard to that increase.
- (2) The provisions referred to in subsection (1) above are the following provisions of Schedule 4 to the Contributions and Benefits Act—
- (a) paragraph 6 of Part I (child's special allowance);
 - (b) paragraph 5 of Part III (guardian's allowance);
 - (c) column (2) of Part IV (increase for child dependants);
 - (d) paragraph 7 of Part V (increase of weekly rate of disablement pension in respect of child dependants);
 - (e) paragraph 12 of Part V (allowance in respect of deceased's children).