

# **PENSIONS ACT 2007**

---

## **EXPLANATORY NOTES**

### **SUMMARY AND BACKGROUND**

#### *State Pensions Measures*

#### *Category A and C retirement pensions: abolition of adult dependency increases*

#### *Current position*

36. Adult dependency increases are payable in respect of a 'dependant' who:
- a) does not have earnings or an occupational or personal pension of more than a prescribed amount (generally £59.15 per week, but different rules apply where the dependant does not live with the pensioner); and
  - b) is not receiving pension or benefit in his or her own right at a rate equal to or greater than that of the adult dependency increase (generally £52.30 per week, but a lower rate is payable where the pensioner does not fully satisfy the contribution conditions for basic state pension).
37. Adult dependency increases of state pension are currently payable in respect of the following, providing they meet the criteria set out above:
- A wife;
  - A husband – providing his wife was receiving an adult dependency increase of incapacity benefit in respect of him immediately before she reached state pension age; and
  - A person having care of the pensioner's child or children.
38. As an adult dependency increase in respect of a wife is payable at the same rate as a Category B pension there is no financial advantage in a man continuing to claim an adult dependency increase in respect of his wife once she has attained state pension age.
39. The PA1995 and the CPA2004 provide for women and people in civil partnerships to be eligible for adult dependency increases from 6 April 2010 under the rules which currently apply to men. The PA1995 also provides for the state pension age for women to increase from 60 to 65 between 2010 and 2020.

#### *Changes*

40. The changes will abolish adult dependency increases with effect from 6 April 2010 and make provision for entitlements up to this date to be protected to 5 April 2020.