

# **PENSIONS ACT 2014**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 1 – State Pension**

#### *Section 7: Survivor’s pension based on inheritance of additional old state pension*

#### *Schedule 3: Survivor’s pension under section 7: inherited amount*

#### *Schedule 4: Survivor’s pension under section 7: up-rating*

65. Under the old retirement pension rules, a person who is, or who has been, married or in a civil partnership may be entitled to a pension based on the National Insurance record of their spouse or civil partner (usually by way of a “Category B” pension). This will not be the case for those reaching pensionable age after the start date of the new state pension.
66. There are two exceptions: one set out in this section and one set out in sections 11 and 12 – see paragraphs 76 to 80 below.
67. *Section 7* and Schedules 3 and 4 provide that a person who reaches pensionable age on or after the new state pension start date will be entitled to an amount based on the additional pension that his or her late spouse or civil partner was or would have been entitled to under the old retirement pension rules. Schedule 3 provides for the conditions of entitlement to this inherited state pension.
68. The amount that the survivor will be entitled to depends on whether his or her spouse or civil partner reached pensionable age, or died under pensionable age, before or after the new state pension start date.
69. In all cases, entitlement to an inherited amount under Schedule 3 will be conditional on the marriage or civil partnership existing before the new state pension is introduced. A person who becomes entitled to an inherited amount on or after reaching pensionable age will not lose it if he or she subsequently remarries or forms a civil partnership. However, as that marriage or civil partnership will have taken place after the new state pension is introduced, if the new spouse or civil partner dies, the existing inherited amount will not be replaced with an inherited amount from the most recent spouse or civil partner, even if it would have been a higher amount.
70. Where the late spouse or civil partner reached pensionable age or died before the new state pension is introduced, the survivor could be entitled to an inherited amount based on the amount of additional pension that person would have been entitled to under the Category B old retirement pension rules.
71. Where the late spouse or civil partner reached pensionable age or died under pensionable age on or after the date the new state pension is introduced, the survivor could be entitled to an inherited amount of half of the amount by which the late spouse’s or civil partner’s transitional rate of state pension exceeds the full state pension rate.

*These notes refer to the Pensions Act 2014 (c.19)  
which received Royal Assent on 14 May 2014*

72. Under the old retirement pension rules, a person bereaved under pensionable age is entitled to a Category B pension if they were previously entitled to bereavement allowance or widowed parent's allowance. This Act replaces the existing range of bereavement benefits with a bereavement support payment (see 'Part 5 – Bereavement support payment'). The Category B retirement pension rules are therefore modified to enable a person who is bereaved while under pensionable age on or after the date the new payment is introduced and whose spouse or civil partner reached pensionable age before the new state pension is introduced to inherit additional pension if he or she qualified for bereavement support payment and satisfied the other rules for entitlement.
73. [Schedule 4](#) provides for the up-rating (annual increases) of inherited amounts. The basic principle is that, as with the transitional rate, the survivor's pension (including inherited amount) up to the full rate of the new state pension should be up-rated by reference to earnings and any excess by prices.