
STATUTORY INSTRUMENTS

1985 No. 688

SOCIAL SECURITY

The Social Security Revaluation of Earnings Factors Order 1985

<i>Made</i>	- - - -	<i>30th April 1985</i>
<i>Laid before Parliament</i>		<i>13th May 1985</i>
<i>Coming into Operation</i>		<i>3rd June 1985</i>

The Secretary of State for Social Services, in exercise of the powers conferred upon him by section 21 of the Social Security Pensions Act 1975⁽¹⁾ and of all other powers enabling him in that behalf, having on a review under the said section 21 concluded, having had regard to earlier Orders under that section⁽²⁾, that earnings factors for the relevant previous tax years have not, during the period taken into account for that review, maintained their value in relation to the general level of earnings obtaining in Great Britain, hereby makes the following order:—

Citation and commencement

1. This Order may be cited as the Social Security Revaluation of Earnings Factors Order 1985 and shall come into operation on 3rd June 1985.

Revaluation of earnings factors

2. The earnings factors relevant to the calculation of the additional component in the rate of any long-term benefit are directed to be increased for the tax years specified in the Schedule hereto by the percentage of their amount shown opposite the said tax years in the said Schedule.

Rounding of fractional amounts

3. Where any earnings factor as increased in accordance with this Order would not but for this Article be expressed as a whole number of pounds, it shall be so expressed by the rounding down of any fraction of a pound less than one half and the rounding up of any other fraction of a pound.

(1) section 21 was amended by the Social Security Act 1979 (c.18), section 10 and the Social Security Act 1980 (c.30), section 3(3) and Schedule 5.
(2) S.I. 1979/832, 1980/728, 1981/598, 1982/607, 1983/655, 1984/581.

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Signed by authority of the Secretary of State for Social Services.

30th April 1985

Tony Newton
Minister of State
Department of Health and Social Security

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SCHEDULE

Tax Year	Increase
1978–79	121.0 per cent
1979–80	95.0 per cent
1980–81	62.9 per cent
1981–82	36.4 per cent
1982–83	23.9 per cent
1983–84	15.1 per cent
1984–85	6.6 per cent

EXPLANATORY NOTE

This Order is made consequent upon a review under section 21 of the Social Security Pensions Act 1975 (“the Pensions Act”), which provides for the revaluation of earnings factors so that they maintain their value in relation to the general level of earnings obtaining in Great Britain.

The Order directs that the earnings factors relevant to calculating the additional component in the rate of any long-term benefit for the tax years specified in that Schedule to the Order are to be increased by the percentage of their amount specified in that Schedule. The percentage for the tax year 1984-85 has been fixed at 6.6 per cent; those for earlier years have also been increased. The Order also provides for the rounding of fractional amounts.

For the purpose of certain occupational pension schemes which are contracted out under Part III of the Pensions Act, the increases made by this Order are applied, by sections 34(5)(b) and 37(2)(b), to the calculation of the earner's average annual salary and, by section 35(5), to the earnings factor used in calculating his guaranteed minimum pension.