

SCHEDULE 1

FURTHER PROVISIONS REPLACING SECTION 36(4) OF THE NATIONAL INSURANCE ACT 1965: INCREASES OF GRADUATED RETIREMENT BENEFIT AND LUMP SUMS

Modifications etc. (not altering text)

- C1 Sch. 1 modified (7.4.2008) by [The Social Security Benefits Up-rating Order 2008 \(S.I. 2008/632\)](#), arts. 1(2)(d), **12(3)**
- C1 Sch. 1 modified (with effect in accordance with art. 1(3)(a), 6 of the amending S.I.) by [The Social Security Benefits Up-rating Order 2009 \(S.I. 2009/497\)](#), arts. 1(2)(d), **12(3)**
- C1 Sch. 1 sums confirmed (12.4.2010) by [The Social Security Benefits Up-rating Order 2010 \(S.I. 2010/793\)](#), arts. 1(2)(d), **12(3)**
- C1 Sch. 1 sums amended (with effect in accordance with arts. 1(3), 6 of the amending S.I.) by [The Social Security Benefits Up-rating Order 2011 \(S.I. 2011/821\)](#), arts. 1(2)(c), **12(3)**
- C1 Sch. 1 sums amended (with effect in accordance with arts. 1(3), 6 of the amending S.I.) by [The Social Security Benefits Up-rating Order 2012 \(S.I. 2012/780\)](#), arts. 1(2)(c), **12(3)**
- C1 Sch. 1 sums amended (with effect in accordance with arts. 1(3), 6 of the amending S.I.) by [The Social Security Benefits Up-rating Order 2013 \(S.I. 2013/574\)](#), arts. 1(2)(c), **11(3)**
- C1 Sch. 1 sums amended (with effect in accordance with art. 1(3), 6 of the amending S.I.) by [The Social Security Benefits Up-rating Order 2013 \(S.I. 2013/574\)](#), arts. 1(2)(c), **11(3)**
- C1 Sch. 1 sums amended (11.3.2014 for specified purposes and with effect in accordance with arts. 1(2)(c)(1), (3), (4), 6) by [The Social Security Benefits Up-rating Order 2014 \(S.I. 2014/516\)](#), art. 1(2)(c)(1)(3)**8(3)**
- C1 Sch. 1 sums amended (3.3.2015 for specified purposes and with effect in accordance with arts. 1(2)(c)(3)(4), 6) by [The Social Security Benefits Up-rating Order 2015 \(S.I. 2015/457\)](#), art. 1(2)(c)(3)**8(3)**
- C1 Sch. 1 sums amended (with effect in accordance with arts. 1(3) (4) 7 of the amending S.I.) by [The Social Security Benefits Up-rating Order 2017 \(S.I. 2017/260\)](#), arts. 1(2)(c), **12(3)**
- C1 Sch. 1 sums amended (with effect in accordance with arts. 1(3)(4), 7 of the amending S.I.) by [The Social Security Benefits Up-rating Order 2018 \(S.I. 2018/281\)](#), arts. 1(2)(c), **12(3)**
- C1 Sch. 1 sums amended (with effect in accordance with art. 1(4)(5) 7 of the amending S.I.) by [The Social Security Benefits Up-rating Order 2019 \(S.I. 2019/480\)](#), arts. 1(3)(c), **12(3)**
- C1 Sch. 1 sums amended (with effect in accordance with arts. 1(4)(5), 7 of the amending S.I.) by [The Social Security Benefits Up-rating Order 2020 \(S.I. 2020/234\)](#), arts. 1(3)(c), **12(3)**
- C1 Sch. 1 sums amended (with effect in accordance with arts. 1(4)(5), 7 of the amending S.I.) by [The Social Security Benefits Up-rating Order 2021 \(S.I. 2021/162\)](#), arts. 1(3)(c), **12(3)**
- C1 Sch. 1 sums amended (with effect in accordance with arts. 1(4)(5), 7 of the amending S.I.) by [The Social Security Benefits Up Rating Order 2022 \(S.I. 2022/292\)](#), arts. 1(3)(c), **12(3)**
- C1 Sch. 1: sums amended (coming into force in accordance with arts. 1(4)(5), 7 of the amending S.I.) by [The Social Security Benefits Up-rating Order 2024 \(S.I. 2024/242\)](#), arts. 1(3)(c), **11(3)**

PART 1

INCREASE AND LUMP SUM WHERE ENTITLEMENT TO RETIREMENT PENSION IS DEFERRED

Scope

1. This Part applies only in respect of a person who is deferring entitlement to graduated retirement benefit by virtue of section 36(4A)(a) of the 1965 Act ^{MI}.

Marginal Citations

M1 1965 c. 51.

Increase or lump sum where pensioner's entitlement is deferred

2.—(1) Where a person's entitlement to a Category A or Category B retirement pension is deferred and that person elects^{F1} ...—

- (a) that paragraph 1 of Schedule 5 (increase of pension) is to apply in relation to the period of deferment, paragraph 3 of this Schedule shall also apply in relation to that period;
- (b) that paragraph 3A of Schedule 5 (lump sum) is to apply in relation to the period of deferment, paragraph 5 of this Schedule shall also apply in relation to that period.

(2) The reference to an election in sub-paragraph (1) includes an election a person is treated as having made under paragraph A1(2) of Schedule 5.

Textual Amendments

F1 Words in Sch. 1 para. 2(1) omitted (6.4.2006) by virtue of [Social Security \(Deferral of Retirement Pensions, Shared Additional Pension and Graduated Retirement Benefit\) \(Miscellaneous Provisions\) Regulations 2005 \(S.I. 2005/2677\)](#), regs. 1(1), **7(2)(a)**

Increase where pensioner's entitlement is deferred

3.—(1) This paragraph applies where—

- (a) entitlement to a Category A or Category B retirement pension is deferred and the period of deferment is less than 12 months; or
- (b) paragraph 2(1)(a) applies.

(2) The rate of the person's graduated retirement benefit shall be increased by an amount equal to the aggregate of the increments to which he is entitled under paragraph 4 but only if that amount is enough to increase the rate of the benefit by at least 1 per cent.

Calculation of increment

4.—(1) A person is entitled to an increment under this paragraph for each complete incremental period in his period of deferment.

(2) The amount of the increment for an incremental period shall be #th per cent. of the weekly rate of the graduated retirement benefit to which the person would have been entitled for the period if his entitlement to a Category A or Category B retirement pension had not been deferred.

(3) For the purposes of sub-paragraph (2), the weekly rate of graduated retirement benefit shall be taken to include any increase in the weekly rate of that benefit and the amount of the increment in respect of such an increase shall be #th per cent. of its weekly rate for each incremental period in the period of deferment beginning on the day the increase occurred.

(4) Amounts under sub-paragraphs (2) and (3) shall be rounded to the nearest penny, taking any ½p as nearest to the next whole penny.

(5) Where an amount under sub-paragraph (2) or (3) would, apart from this sub-paragraph, be a sum less than ½p, the amount shall be taken to be zero, notwithstanding any provision of the Benefits Act, the Administration Act or the Pension Schemes Act 1993^{M2}.

Changes to legislation: There are currently no known outstanding effects for the The Social Security (Graduated Retirement Benefit) Regulations 2005, PART 1. (See end of Document for details)

(6) In this paragraph, “incremental period” means any period of six days which are treated by the Social Security (Widow's Benefit and Retirement Pensions) Regulations 1979^{M3} as days of increment for the purposes of paragraph 2 of Schedule 5 in relation to the person and pension in question.

(7) Where one or more orders have come into force under section 150 of the Administration Act during the period of deferment, the rate for any incremental period shall be determined as if the order or orders had come into force before the beginning of the period of deferment.

Marginal Citations

M2 1993 c. 48.

M3 S.I.1979/642; the relevant amending instruments are S.I.1989/1642, 1991/2742, 1992/1695, 1996/1345 and 1999/2422.

Lump sum where pensioner's entitlement is deferred

5.—(1) This paragraph applies where paragraph 2(1)(b) applies.

(2) The person is entitled to an amount calculated in accordance with paragraph 6 (a “lump sum”).

Calculation of lump sum

6.—(1) The lump sum is the accrued amount for the last accrual period beginning during the period of deferment.

(2) In this paragraph—

“accrued amount” means the amount calculated in accordance with sub-paragraph (3);

“accrual period” means any period of seven days beginning with the day of the week on which Category A or Category B retirement pension would have been payable to a person in accordance with regulation 22(3) of, and paragraph 5 of Schedule 6 to, the Social Security (Claims and Payments) Regulations 1987^{M4}[^{F2}or in accordance with regulation 22C(3) or (4) of those Regulations], if his entitlement to a retirement pension had not been deferred, where that day falls within the period of deferment.

(3) The accrued amount for an accrual period for a person is—

$$(A + P) \times \frac{R}{100}$$

where—

A is the accrued amount for the previous accrual period (or, in the case of the first accrual period beginning during the period of deferment, zero);

P is, subject to sub-paragraph (5), the amount of graduated retirement benefit to which the person would have been entitled for the accrual period if his entitlement to a Category A or Category B retirement pension had not been deferred;

R is—

- (a) a percentage rate two per cent. higher than the Bank of England base rate; or
- (b) if a higher rate is prescribed for the purposes of paragraphs 3B and 7B of Schedule 5, that higher rate.

(4) For the purposes of sub-paragraph (3), any change in the Bank of England base rate is to be treated as taking effect—

(a) at the beginning of the accrual period immediately following the accrual period during which the change took effect; or

(b) if regulations under paragraph 3B(4) of Schedule 5 so provide, at such other time as may be prescribed in those Regulations.

(5) Regulation 3 of the Social Security (Deferral of Retirement Pensions) Regulations 2005^{M5} shall have effect for the purposes of this paragraph in like manner to graduated retirement benefit as it does to retirement pension in the calculation of the lump sum under paragraph 3B of Schedule 5.

Changes to legislation: There are currently no known outstanding effects for the The Social Security (Graduated Retirement Benefit) Regulations 2005, PART 1. (See end of Document for details)

Textual Amendments

- F2** Words in Sch. 1 para. 6(2) inserted (6.4.2017) by [The Occupational Pension Schemes and Social Security \(Schemes that were Contracted-out and Graduated Retirement Benefit\) \(Miscellaneous Amendments\) Regulations 2017 \(S.I. 2017/354\)](#), regs. 1(2), 3

Marginal Citations

- M4** [S.I.1987/1968](#); the relevant amending instruments are [S.I.2000/1483](#) and [2002/2441](#).
M5 [S.I.2005/453](#).

Increase or lump sum where pensioner's deceased spouse [^{F3}or civil partner] has deferred entitlement

- 7.—(1) This paragraph applies where—
- (a) a [^{F4}widow, widower or surviving civil partner] (“W”) is entitled to a Category A or Category B retirement pension;
 - (b) W was married to [^{F5}or in a civil partnership with] the other party to the marriage [^{F6}or civil partnership] (“S”) when S died;
 - (c) S's entitlement to a Category A or Category B retirement pension was deferred when S died; and
 - (d) S's entitlement had been deferred throughout the period of 12 months ending with the day before S's death.
- (2) Where W elects—
- (a) that paragraph 4 of Schedule 5 (increase of pension) is to apply in relation to the period of deferment, paragraph 8 of this Schedule shall also apply in relation to that period;
 - (b) that paragraph 7A of Schedule 5 (lump sum) is to apply in relation to the period of deferment, paragraph 9 of this Schedule shall also apply in relation to that period.
- (3) The reference to an election in sub-paragraph (2) includes an election W is treated as having made under paragraph 3C(3) of Schedule 5.

Textual Amendments

- F3** Words in Sch. 1 para. 7 inserted (5.12.2005) by [Social Security \(Retirement Pensions and Graduated Retirement Benefit\) \(Widowers and Civil Partnership\) Regulations 2005 \(S.I. 2005/3078\)](#), regs. 1(1)(c), **3(2)(a)**
- F4** Words in Sch. 1 para. 7(1)(a) substituted (5.12.2005) by [Social Security \(Retirement Pensions and Graduated Retirement Benefit\) \(Widowers and Civil Partnership\) Regulations 2005 \(S.I. 2005/3078\)](#), regs. 1(1)(c), **3(2)(b)**
- F5** Words in Sch. 1 para. 7(1)(b) inserted (5.12.2005) by [Social Security \(Retirement Pensions and Graduated Retirement Benefit\) \(Widowers and Civil Partnership\) Regulations 2005 \(S.I. 2005/3078\)](#), regs. 1(1)(c), **3(2)(c)(i)**
- F6** Words in Sch. 1 para. 7(1)(b) inserted (5.12.2005) by [Social Security \(Retirement Pensions and Graduated Retirement Benefit\) \(Widowers and Civil Partnership\) Regulations 2005 \(S.I. 2005/3078\)](#), regs. 1(1)(c), **3(2)(c)(ii)**

Increase where pensioner's deceased spouse [^{F7}or civil partner] has deferred entitlement

8.—(1) This paragraph applies where a [^{F8}widow, widower or surviving civil partner] is entitled to a Category A or Category B retirement pension, was married to [^{F9}or in a civil partnership with] the other party to the marriage [^{F10}or civil partnership] when S died and one of the following conditions is met—

- (a) S was entitled to graduated retirement benefit with an increase under this Schedule;
- (b) paragraph 7(2)(a) applies; or
- (c) paragraph 7 would apply to W but for the fact that the condition in sub-paragraph (1)(d) of that paragraph is not met.

(2) The increase in the weekly rate of W's graduated retirement benefit shall, in a case to which sub-paragraph (1) applies, be determined in accordance with section 37 of the 1965 Act ^{M6} as continued in force by virtue of regulations made under Schedule 3 to the Social Security (Consequential Provisions) Act 1975 ^{M7} or under Schedule 3 to the Social Security (Consequential Provisions) Act 1992 ^{M8}.

Textual Amendments

- F7** Words in Sch. 1 para. 8 inserted (5.12.2005) by [Social Security \(Retirement Pensions and Graduated Retirement Benefit\) \(Widowers and Civil Partnership\) Regulations 2005 \(S.I. 2005/3078\)](#), regs. 1(1)(c), **3(3)(a)**
- F8** Words in Sch. 1 para. 8(1) substituted (5.12.2005) by [Social Security \(Retirement Pensions and Graduated Retirement Benefit\) \(Widowers and Civil Partnership\) Regulations 2005 \(S.I. 2005/3078\)](#), regs. 1(1)(c), **3(3)(b)(i)**
- F9** Words in Sch. 1 para. 8(1) inserted (5.12.2005) by [Social Security \(Retirement Pensions and Graduated Retirement Benefit\) \(Widowers and Civil Partnership\) Regulations 2005 \(S.I. 2005/3078\)](#), regs. 1(1)(c), **3(3)(b)(ii)**
- F10** Words in Sch. 1 para. 8(1) inserted (5.12.2005) by [Social Security \(Retirement Pensions and Graduated Retirement Benefit\) \(Widowers and Civil Partnership\) Regulations 2005 \(S.I. 2005/3078\)](#), regs. 1(1)(c), **3(3)(b)(iii)**

Marginal Citations

- M6** 1965 c. 51.
- M7** 1975 c. 18.
- M8** 1992 c. 6.

Entitlement to lump sum where pensioner's deceased spouse [^{F11}or civil partner] has deferred entitlement

9.—(1) This paragraph applies where paragraph 7(2)(b) applies.

(2) W is entitled to an amount calculated in accordance with paragraph 10 (a “widowed person's [^{F12}or surviving civil partner's] lump sum”).

Textual Amendments

- F11** Words in Sch. 1 para. 9 inserted (5.12.2005) by [Social Security \(Retirement Pensions and Graduated Retirement Benefit\) \(Widowers and Civil Partnership\) Regulations 2005 \(S.I. 2005/3078\)](#), regs. 1(1)(c), **3(4)(a)**

Changes to legislation: There are currently no known outstanding effects for the The Social Security (Graduated Retirement Benefit) Regulations 2005, PART 1. (See end of Document for details)

F12 Words in Sch. 1 para. 9(2) inserted (5.12.2005) by Social Security (Retirement Pensions and Graduated Retirement Benefit) (Widowers and Civil Partnership) Regulations 2005 (S.I. 2005/3078), regs. 1(1)(c), 3(4)(b)

Calculation of widowed person's ^{F13}or surviving civil partner's] lump sum

10.—(1) The widowed person's ^{F14}or surviving civil partner's] lump sum is the accrued amount for the last accrual period beginning during the period which—

- (a) began at the beginning of S's period of deferment; and
- (b) ended on the day before S's death.

(2) In this paragraph—

“S” means the other party to the marriage ^{F15}or civil partnership];

“accrued amount” means the amount calculated in accordance with sub-paragraph (3);

^{M9}“accrual period” means any period of seven days beginning with the day of the week on which Category A or Category B retirement pension would have been payable to S in accordance with regulation 22(3) of, and paragraph 5 of Schedule 6 to, the Social Security (Claims and Payments) Regulations 1987 ^{F16}or in accordance with regulation 22C(3) or (4) of those Regulations], if his entitlement to a retirement pension had not been deferred, where that day falls within S's period of deferment.

(3) The accrued amount for an accrual period for W is—

(3) The accrued amount for an accrual period for W is—

$$(A + P) \times \sqrt[5]{1 + \frac{R}{100}}$$

where—

A is the accrued amount for the previous accrual period (or, in the case of the first accrual period beginning during the period mentioned in sub-paragraph (1), zero);

P is, subject to sub-paragraph (5), one-half of the graduated retirement benefit to which S would have been entitled for the accrual period if his entitlement had not been deferred during the period mentioned in sub-paragraph (1);

R is—

- (a) a percentage rate two per cent. higher than the Bank of England base rate; or
- (b) if a higher rate is prescribed for the purposes of paragraphs 3B and 7B of Schedule 5, that higher rate.

(4) For the purposes of sub-paragraph (3), any change in the Bank of England base rate is to be treated as taking effect—

- (a) at the beginning of the accrual period immediately following the accrual period during which the change took effect; or
- (b) if regulations under paragraph 7B(4) of Schedule 5 so provide, at such other time as may be prescribed.

(5) Regulation 3 of the Social Security (Deferral of Retirement Pensions) Regulations 2005 ^{M10} shall have effect for the purposes of this paragraph in like manner to graduated retirement benefit as it does to retirement pension in the calculation of the lump sum under paragraph 7B of Schedule 5.

(6) In any case where—

- (a) there is a period between the death of S and the date on which W becomes entitled to a Category A or Category B retirement pension; and
- (b) one or more orders have come into force under section 150 of the Administration Act during that period,

the amount of the lump sum shall be increased in accordance with that order or those orders.

Changes to legislation: There are currently no known outstanding effects for the *The Social Security (Graduated Retirement Benefit) Regulations 2005, PART 1*. (See end of Document for details)

Textual Amendments

- F13** Words in Sch. 1 para. 10 inserted (5.12.2005) by [Social Security \(Retirement Pensions and Graduated Retirement Benefit\) \(Widowers and Civil Partnership\) Regulations 2005 \(S.I. 2005/3078\)](#), regs. 1(1)(c), **3(5)(a)**
- F14** Words in Sch. 1 para. 10(1) inserted (5.12.2005) by [Social Security \(Retirement Pensions and Graduated Retirement Benefit\) \(Widowers and Civil Partnership\) Regulations 2005 \(S.I. 2005/3078\)](#), regs. 1(1)(c), **3(5)(b)**
- F15** Words in Sch. 1 para. 10(2) inserted (5.12.2005) by [Social Security \(Retirement Pensions and Graduated Retirement Benefit\) \(Widowers and Civil Partnership\) Regulations 2005 \(S.I. 2005/3078\)](#), regs. 1(1)(c), **3(5)(c)**
- F16** Words in Sch. 1 para. 10(2) inserted (6.4.2017) by [The Occupational Pension Schemes and Social Security \(Schemes that were Contracted-out and Graduated Retirement Benefit\) \(Miscellaneous Amendments\) Regulations 2017 \(S.I. 2017/354\)](#), regs. 1(2), **3**

Modifications etc. (not altering text)

- C1** Sch. 1 para. 10(6) modified by S.I. 2015/173, reg. 19 (as inserted (6.4.2016 coming into force in accordance with reg. 1(4)) by [The State Pension and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/199\)](#), regs. 1(4), **4** (with reg. 1(5)))

Marginal Citations

- M9** [S.I.1987/1968](#); the relevant amending instruments are [S.I.2000/1483](#) and [2002/2441](#).
- M10** [S.I.2005/453](#).

Changes to legislation:

There are currently no known outstanding effects for the The Social Security (Graduated Retirement Benefit) Regulations 2005, PART 1.