STATUTORY INSTRUMENTS

2018 No. 271

SOCIAL SECURITY

The Social Security Revaluation of Earnings Factors Order 2018

Made - - - -	*27th February 2018*
Laid before Parliament	*5th March 2018*
Coming into force - -	*6th April 2018*

In accordance with section 148(2) of the Social Security Administration Act 1992(**1**), the Secretary of State for Work and Pensions has reviewed the general level of earnings obtaining in Great Britain.

The Secretary of State has concluded, having regard to earlier orders made under section 148(**2**) of that Act, that earnings factors(**3**) for the relevant tax years have not, during the period taken into account for that review, maintained their value in relation to the general level of earnings.

Accordingly the Secretary of State makes this Order in exercise of the powers conferred by sections 148(3) and (4) and 189(1), (4) and (5) of the Social Security Administration Act 1992(**4**).

(**1**) 1992 c. 5. Section 148 was amended by paragraph 27 of Schedule 8 to the Pension Schemes Act 1993 (c. 48) and by section 37 of the Child Support, Pensions and Social Security Act 2000 (c. 19).

(**2**) Section 148(7)(b) of the Social Security Administration Act 1992 (c. 5) "the Administration Act" provides that orders under section 21 (revaluation of earnings factors) of the Social Security Pensions Act 1975 (c. 60) are to be treated as orders under section 148. The earlier orders are therefore S.I.s 1979/832, 1980/728, 1981/598, 1982/607, 1983/655, 1984/581, 1985/688, 1986/809, 1987/861, 1988/867, 1989/805, 1990/1412, 1991/1108, 1992/1102, 1993/1159, 1994/1105, 1995/1070, 1996/1133, 1997/1117, 1998/1137, 1999/1235, 2000/1365, 2001/631, 2002/519, 2003/517, 2004/262, 2005/216, 2006/496, 2007/781, 2008/730, 2009/608, 2010/470, 2011/475, 2012/187, 2013/527, 2014/367, 2015/187, 2016/205 and 2017/287.

(**3**) *See* in respect of additional pensions sections 22 and 23 of the Social Security Contributions and Benefits Act 1992 (c. 4) "the Contributions and Benefits Act". Section 22 was amended by paragraph 22 of Schedule 2 to the Jobseekers Act 1995 (c. 18), paragraph 61 of Schedule 7 to the Social Security Act 1998 (c. 14), section 30(1) of the Child Support, Pensions and Social Security Act 2000, paragraph 7 of Schedule 1 to the National Insurance Contributions Act 2002 (c. 19), paragraph 9(3) and (4) of Schedule 3 to the Welfare Reform Act 2007 (c. 5), section 12(1) of, and paragraphs 9 and 33 of Schedule 1 to, the Pensions Act 2007 (c. 22), section 3(2) of, and paragraph 2 of Schedule 1 to, the National Insurance Contributions Act 2008 (c. 16) and paragraph 6 of Schedule 12 to the Pensions Act 2014 (c. 19). Section 23 was amended by paragraph 36 of Schedule 8 to the Pension Schemes Act 1993, section 134(1) of the Pensions Act 1995 (c. 26), paragraph 8 of Schedule 1 to the National Insurance Contributions Act 2002 and paragraph 3(2) and (3) of Schedule 1 to the National Insurance Contributions Act 2008. *See* also in respect of guaranteed minimum pensions section 14 of the Pension Schemes Act 1993, as amended by paragraph 27 of Schedule 5, and Part 3 of Schedule 7, to the Pensions Act 1995, paragraph 38 of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), paragraph 22(1) and (3) of Schedule 11 to the Proceeds of Crime Act 2002 (c. 29) and paragraphs 1 and 15 of Schedule 13 to the Pensions Act 2014. *See* also paragraphs 4(2), 8(4) and 9(4) of Schedule 4B to the Contributions and Benefits Act under which flat rate accrual amounts of additional state pension are to be increased by reference to the percentage figure specified for 2015-2016 in orders under section 148 of the Administration Act. *See* also paragraph 2(6) of each of Schedules 8 and 10 to the Pensions Act 2014 under which old scheme state pension debits and credits are to be increased by reference to percentage figures specified in orders under section 148 of the Administration Act.

(**4**) Relevant amendments to section 189 of the Administration Act are made by paragraph 109 of Schedule 7 and Schedule 8 to the Social Security Act 1998, paragraph 57(1) and (2) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999, Schedule 6 to the Tax Credits Act 2002 (c. 21) and S.I. 2013/252.

Citation and commencement

1. This Order may be cited as the Social Security Revaluation of Earnings Factors Order 2018 and shall come into force on 6th April 2018.

Revaluation of earnings factors

2. The earnings factors for the tax years specified in the Schedule to this Order in so far as they are relevant–

(a) to the calculation of–

(i) the additional pension in the rate of any long-term benefit; or

(ii) any guaranteed minimum pension(**5**); or

(b) to any other calculation required under Part 3 of the Pension Schemes Act 1993(**6**) (including that Part as modified by or under any other enactment),

are directed to be increased by the percentage of their amount shown opposite those tax years in that Schedule.

Rounding of fractional amounts

3. Where any earnings factor relevant to the calculation specified in article 2(a)(i), 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 rounding down any fraction of a pound less than one half and rounding up any other fraction of a pound.

Signed by authority of the Secretary of State for Work and Pensions

Guy Opperman
Parliamentary Under Secretary of State
Department for Work and Pensions

27th February 2018

(**5**) Earnings factors for any year after 1996-1997 are not relevant to the calculation of any guaranteed minimum pension: section 14(8) of the Pension Schemes Act 1993 as amended by paragraph 27(b) of Schedule 5 to the Pensions Act 1995.
(**6**) 1993 c. 48.