STATUTORY INSTRUMENTS

2016 No. 224

SOCIAL SECURITY

The Pensions Act 2014 (Consequential and Supplementary Amendments) Order 2016

Made - - - -	*22nd February 2016*
Coming into force - -	*6th April 2016*

A draft of this Order has been laid before Parliament in accordance with section 54(2)(c) of the Pensions Act 2014(**1**) and approved by a resolution of each House.

Accordingly, the Secretary of State for Work and Pensions, in exercise of the powers conferred by sections 53 and 54(5) of that Act makes the following Order.

Citation and commencement

1.—(1) This Order may be cited as the Pensions Act 2014 (Consequential and Supplementary Amendments) Order 2016.

(2) This Order comes into force on 6thApril 2016 immediately after Part 1 of the Pensions Act 2014 comes into force for all remaining purposes.

Amendment of the Social Security Contributions and Benefits Act 1992

2.—(1) The Social Security Contributions and Benefits Act 1992(**2**) is amended as follows.

(2) In section 23A (contributions credits for relevant parents and carers)(**3**), after subsection (8) insert—

> "(8A) Where this section, or regulations made under it, have the effect that the contributor concerned is credited, on or after 6 April 2016, with contributions for a tax year starting before that date, the contributions are to be treated for the purposes of calculating the rate under paragraph 3 of Schedule 1 to the Pensions Act 2014 as having been credited before 6 April 2016.".

(3) In section 48B (Category B retirement pension for widows and widowers)(**4**), after subsection (9) insert—

(**1**) 2014 c.19.
(**2**) 1992 c.4.
(**3**) Section 23A was inserted by section 3 of the Pensions Act 2007 (c.22).
(**4**) Section 48B was substituted into the Social Security Contributions and Benefits Act 1992 by paragraph 3 of Schedule 4 to the Pensions Act 1995 (c.26). Subsection (9) of that section was inserted by paragraph 61 of Schedule 12 to the Pensions Act 2014.

"(10) Subsection (11) applies in the case of a pensioner entitled to a Category B retirement pension by virtue of subsection (1) or (1A) whose spouse or civil partner—

(a) attained pensionable age on or after 6 April 2016, and

(b) died after attaining pensionable age.

(11) Where this subsection applies, the amount determined in accordance with subsection (2) as the weekly rate of the additional pension payable to the pensioner must be increased by such percentage as equals the overall percentage by which, had the pension been in payment as from the date when the spouse or civil partner reached pensionable age until the spouse's or civil partner's death, that weekly rate would have increased during that period by virtue of orders under section 150 of the Administration Act (annual uprating of benefits).".

(4) In section 51 (Category B retirement pension for widows, widowers and surviving civil partners who attained pensionable age before 6th April 2010)(**5**)—

(a) in subsection (6), for "Schedule 4A" substitute "Schedules 4A and 4B";

(b) after subsection (10), insert—

"(11) Subsection (12) applies in the case of a pensioner whose spouse or civil partner —

(a) attained pensionable age on or after 6 April 2016, and

(b) died after attaining pensionable age.

(12) Where this subsection applies, the amount determined in accordance with this section as the weekly rate of the additional pension payable to the pensioner must be increased by such percentage as equals the overall percentage by which, had the pension been in payment as from the date when the spouse or civil partner reached pensionable age until the spouse's or civil partner's death, that weekly rate would have increased during that period by virtue of orders under section 150 of the Administration Act (annual uprating of benefits).".

(5) In paragraph 4 of Schedule 4B (additional pension: accrual rates for purposes of section 45(2)(d))(**6**)—

(a) the existing wording becomes sub-paragraph (1);

(b) in sub-paragraph (1), insert at the beginning "Where the final relevant year is 2015-16 or an earlier tax year,";

(c) after sub-paragraph (1), insert—

"(2) Otherwise, the flat rate amount is calculated by increasing the FRAA by the percentage by which earnings factors for 2015-16 are directed to be increased by the last order under section 148 of the Administration Act to come into force before the end of the final relevant year.".

(6) In paragraph 8 of that Schedule—

(a) in sub-paragraph (3), insert at the beginning "Where the final relevant year is 2015-16 or an earlier tax year,";

(b) after sub-paragraph (3), insert—

"(4) Otherwise, the flat rate amount is calculated by increasing the FRAA by the percentage by which earnings factors for 2015-16 are directed to be increased by the last order under section 148 of the Administration Act to come into force before the end of the final relevant year.".

(**5**) Section 51 was substituted by paragraph 64 of Schedule 12 to the Pensions Act 2014.
(**6**) Schedule 4B was inserted by paragraph 1 of Schedule 2 to the Pensions Act 2007.

(7) In paragraph 9 of that Schedule—

(a) in sub-paragraph (3), insert at the beginning "Where the final relevant year is 2015-16 or an earlier tax year,";

(b) after sub-paragraph (3), insert—

"(4) Otherwise, the flat rate amount is calculated by increasing the FRAA by the percentage by which earnings factors for 2015-16 are directed to be increased by the last order under section 148 of the Administration Act to come into force before the end of the final relevant year.".

(8) In paragraph 13 of that Schedule(**7**)—

(a) in sub-paragraph (2), insert at the beginning "Where the final relevant year is 2015-16 or an earlier tax year,";

(b) after sub-paragraph (2), insert—

"(3) Otherwise, that amount is £93.60 for the flat rate introduction year and subsequent tax years.".

Amendment of the Social Security Administration Act 1992

3.—(1) The Social Security Administration Act 1992(**8**) is amended as follows.

(2) In section 148A(1) (revaluation of low earnings threshold)(**9**), after "each subsequent tax year" insert "up to and including the tax year 2014-15".

(3) In section 148AA(1) (revaluation of flat rate accrual amount)(**10**), after "each subsequent tax year" insert "up to and including the tax year 2014-15".

Amendment of Schedule 4 to the Scotland Act 1998

4. In paragraph 2(3)(e) of Schedule 4 to the Scotland Act 1998(**11**) (enactments etc. protected from modification), after "(contributory benefits)" insert "and Part 1 of the Pensions Act 2014 (state pension)".

Amendment of section 17(1)(b) of the Social Security Contributions (Transfer of Functions, etc.) Act 1999

5. In section 17(1)(b) of the Social Security Contributions (Transfer of Functions, etc.) Act 1999(**12**) (arrangements for discharge of decision-making functions), after "section 22(5)" insert "or (5ZA)(**13**)".

Amendment of the Finance (No.2) Act 2005

6.—(1) The Finance (No.2) Act 2005(**14**) is amended as follows.

(2) In section 8 (meaning of "applicable year of assessment" in section 7)—

(a) in subsection (3), for "and (4A)" substitute ", (4A) and (4B)";

(b) after subsection (4A), insert—

(**7**) Paragraph 13(2) was amended by S.I. 2015/185.
(**8**) 1992 c.5.
(**9**) Section 148A was inserted by section 33(1) of the Child Support, Pensions and Social Security Act 2000 (c.19).
(**10**) Section 148AA was inserted by paragraph 2 of Schedule 2 to the Pensions Act 2007.
(**11**) 1998 c.46. Paragraph 2(3)(e) of Schedule 4 was amended by S.I. 2000/1831.
(**12**) 1999 c.2.
(**13**) Section 22(5ZA) was inserted by paragraph 6(3) of Schedule 12 to the Pensions Act 2014.
(**14**) 2005 c.22. Relevant amendments were made by paragraphs 50 and 51 of Schedule 12 to the Pensions Act 2014.