STATUTORY RULES OF NORTHERN IRELAND

2018 No. 63

PENSIONS

The Pensions Increase (Review) Order (Northern Ireland) 2018

Made - - - - *22nd March 2018*

Coming into operation *9th April 2018*

In accordance with section 132 of the Social Security Administration (Northern Ireland) Act 1992(**1**) the Department for Communities(**2**) has given a direction(**3**) that the sums which are the additional pensions in long-term benefits are to be increased by a specified percentage.

The Department of Finance now makes the following Order in exercise of the powers conferred by Article 69(1), (2), (5) and (5ZA) of the Social Security Pensions (Northern Ireland) Order 1975(**4**) and now vested in it(**5**).

Citation and commencement

1. This Order may be cited as the Pensions Increase (Review) Order (Northern Ireland) 2018 and shall come into operation on 9th April 2018.

Interpretation

2.—(1) In this Order, "the 1975 Order" means the Social Security Pensions (Northern Ireland) Order 1975.

(2) In this Order, any reference to a pension is a reference to a pension which began before 9th April 2018(**6**).

(**1**) 1992 c. 8

(**2**) *See* S.R. 1999 No. 481 Art. 8(b) and Schedule 6 Part II. The Department for Social Development was renamed the Department for Communities by section 1 of the Departments Act (Northern Ireland) 2016 (2016 c. 5 (N.I.)).

(**3**) Contained in S.R. 2018 No. 58. This direction corresponds to the direction given by the Secretary of State for Work and Pensions under section 150 of the Social Security Administration Act 1992 (c.5)

(**4**) S.I. 1975/1503 (N.I. 15); Art. 69 was amended by S.I. 1979/396 (N.I. 5) Arts. 10(2),16 and Sch.3, S.I. 1985/1209 (N.I. 16) Art. 25(2) and Sch. 6, S.I. 1986/1888 (N.I. 18) Arts. 11(8), 19(1)(b), 83(1) and Sch. 9, para.58, S.I. 1990/1509 (N.I. 13) Arts. 3(7) and 7, by section 4 and paragraph 14(19) of Schedule 2 to the Social Security (Consequential Provisions) (Northern Ireland) Act 1992 (1992 c. 9) and by section 184 of and paragraph 15(1) of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993 (1993 c. 49). Article 69 is modified by Article 69A, which was inserted by Article 10(3) of the Social Security (Northern Ireland) Order 1979 (S.I. 1979/396 (N.I. 5)), and amended by S.I. 1986/1888 (N.I. 18) Art. 11(9) and by section 184 of and paragraph 15(2) of Schedule 7 to the Pensions Schemes (Northern Ireland) Act 1993. Art. 69(5ZA) is amended by the Pensions (No.2) Act (NI) 2008 (c.13), section 110 and sch. 10 part 5, Arts 69(5ZB) and (5ZC) are added by 2008 c. 13 section 110.

(**5**) By S.R. 1976 No. 281 Art. 3 and Sch. 1, S.I. 1982/338 (N.I. 6) Art 3 and 4, and 2016 c. 5 (N.I.).

(**6**) By virtue of article 69(7) of the Social Security Pensions (Northern Ireland) Order 1975, sections 69 and 69A of that Order have effect as if they were contained in Part 1 of the Pensions (Increase) Act (Northern Ireland) 1971 (c.35(NI)). Consequently, for the purposes of section 33 of the Interpretation Act (Northern Ireland) 1954 (c. 33)(NI) the following expressions used in

Pension increases: annual rate and lump sums

3.—(1) This article applies to an official pension if—

(a) a qualifying condition is satisfied; or

(b) the pension is—

(i) a derivative pension,

(ii) a substituted pension or,

(iii) a relevant injury pension.

(2) In relation to any period on or after 9th April 2018, the pension authority may increase the annual rate(**7**) of the pension—

(a) for a pension which began before 10th April 2017, by 3 per cent;

(b) for a pension which began on or after 10th April 2017, by 3 per cent multiplied by—

$$\frac{A}{12}$$

where A is the number of complete months in the period between the beginning date of the pension and 9th April 2018.

(3) In relation to a lump sum which is payable on or after 10th April 2017 but before 9th April 2018, the pension authority may increase the lump sum by 3 per cent multiplied by—

$$\frac{A}{12}$$

where A is the number of complete months in the period between the beginning date for the lump sum (or, if later, 10th April 2017) and the date on which it became payable.

Reductions in respect of guaranteed minimum pensions

4.—(1) Where—

(a) a person is entitled to a guaranteed minimum pension increase on 9th April 2018, and

(b) entitlement to that guaranteed minimum pension arises from an employment from which (either directly, or indirectly by virtue of the payment of a transfer credit) entitlement to the official pension also arises,

the amount by reference to which any increase is calculated for the purposes of article 3(2) must be reduced by an amount equal to the rate of the guaranteed minimum pension unless the Department of Finance otherwise directs in accordance with the provisions of Article 69A(**8**) of the 1975 Order(**9**).

(2) Where on the death of a deceased spouse or civil partner a person becomes entitled to a guaranteed minimum pension in relation to a surviving spouse's pension or a surviving civil partner's

this Order have the meaning which they bear in section 69 of the Social Security Pensions (Northern Ireland) Order1975 and the Pensions (Increase) Act (Northern Ireland) 1971: beginning date, complete months, derivative pension, lump sum, official pension, pension authority, qualifying condition, relevant injury pension and substituted pension. Section 8(2) of the Pensions (Increase) Act (Northern Ireland) 1971 also makes provision about when a pension begins for the purposes of that Act.

(**7**) Section 69(5) of the Social Security Pensions (Northern Ireland) Order 1975 provides that the increases in the rate of a pension are to be calculated by reference to the basic rate of the pension as authorised to be increased by section 1 of the Pensions (Increase) Act (Northern Ireland) 1971 or by any order under section 2 of that Act or section 69 of the Social Security Pensions (Northern Ireland) Order 1975.

(**8**) Inserted by S.I. 1979/396 (N.I. 5) Art. 10 and amended by S.I. 1986/1888 (N.I. 18) Art. 11(9) and 1993 c. 49 section 184 and paragraph 15(2) of sch. 7

(**9**) By S.R. 1976 No. 281 Art. 3 and Sch. 1, S.I. 1982/338 (N.I. 6) Art 3 and 4, and 2016 c.5 (N.I.)