Draft Order laid before Parliament under sections 150(2) and 190(1)(a) of the Social Security Administration Act 1992 for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

1999 No.

SOCIAL SECURITY

TERMS AND CONDITIONS OF EMPLOYMENT

The Social Security Benefits Up-rating Order 1999

Made - - - - 1999

Coming into force in accordance with article 1(2)

Whereas, the Secretary of State for Social Security having made a review under section 150(1) of the Social Security Administration Act 1992(**1**), a draft of the following Order was laid before Parliament in accordance with the provisions of sections 150(2) and 190(1)(a) of that Act and approved by resolution of each House of Parliament;

Now, therefore, the Secretary of State for Social Security, with the consent of the Treasury(**2**), in exercise of the powers conferred by sections 150 and 189(1), (3) and (4) of the Social Security Administration Act 1992, and of all other powers enabling him in that behalf, hereby makes the following Order:

PART I

INTRODUCTION

Citation and commencement

1.—(1) This Order may be cited as the Social Security Benefits Up-rating Order 1999.

(2) Subject to paragraph (3) of this article, this Order shall come into force for the purposes of—

(a) articles 1, 2, 6, 22 and 27, on 1st April 1999;

(b) article 8, in so far as it relates to a particular beneficiary, on the first day of the first benefit week to commence for that beneficiary on or after 1st April 1999, and for the purpose

(**1**) 1992 c. 5. Section 150 was amended by paragraph 28 of Schedule 8 to the Pension Schemes Act 1993 (c. 48), sections 2(3) and 9(4) of the Social Security (Incapacity for Work) Act 1994 (c. 18), paragraph 64 of Schedule 2 to the Jobseekers Act 1995 (c. 18) and section 131(2) of the Pensions Act 1995 (c. 26). See also section 4(8) of the Social Security (Incapacity for Work) Act 1994 and regulation 18(3) of the Social Security (Incapacity Benefit) (Transitional) Regulations 1995 (S.I. 1995/310).

(**2**) *See* section 189(8) of the Social Security Administration Act 1992 (c. 5).

of this sub-paragraph, "benefit week" has the same meaning as in the Computation of Earnings Regulations;

(c) articles 3 to 5, 7, 11, 12 and 13, on 12th April 1999;

(d) article 9, on 6th April 1999;

(e) article 10, on 4th April 1999;

(f) articles 14 and 15, on 15th April 1999;

(g) articles 16, 17 and 26, on 13th April 1999;

(h) articles 18, 19 and 20, in so far as they relate to a particular beneficiary, on the first day of the first benefit week to commence for that beneficiary on or after 12th April 1999, and for the purpose of this sub-paragraph, "benefit week" has the same meaning as in the Income Support Regulations;

(i) article 21, in relation to a case where rent is payable at intervals of a week or any multiple thereof, on 5th April 1999, and in relation to any other case, on 1st April 1999;

(j) articles 23, 24 and 25, in so far as they relate to a particular beneficiary, on the first day of the first benefit week to commence for that beneficiary on or after 12th April 1999, and for the purpose of this sub-paragraph, "benefit week" has the same meaning as in the Jobseeker's Allowance Regulations.

(3) The increases made—

(a) in the sums specified for rates or amounts of benefit under the Contributions and Benefits Act or the Pension Schemes Act; and

(b) by article 23(c) of this Order in so far as it is relevant for the purposes referred to in article 6(11) of this Order,

shall take effect for each case on the date specified in relation to that case in article 6 of this Order.

Interpretation

2. In this Order, unless the context otherwise requires—

"the Computation of Earnings Regulations" means the Social Security Benefit (Computation of Earnings) Regulations 1996(**3**);

"the Contributions and Benefits Act" means the Social Security Contributions and Benefits Act 1992(**4**);

"the Council Tax Benefit Regulations" means the Council Tax Benefit (General) Regulations 1992(**5**);

"the Disability Working Allowance Regulations" means the Disability Working Allowance (General) Regulations 1991(**6**);

"the Family Credit Regulations" means the Family Credit (General) Regulations 1987(**7**);

"the Housing Benefit Regulations" means the Housing Benefit (General) Regulations 1987(**8**);

(**3**) S.I. 1996/2745.
(**4**) 1992 c. 4.
(**5**) S.I. 1992/1814; the relevant amending instruments are S.I. 1993/688 and 2118, 1994/1924, 1996/462, 1510, 1803, 2518 and 2545, 1998/470, 766 and 1541.
(**6**) S.I. 1991/2887; the relevant amending instruments are S.I. 1992/2155, 1993/2119, 1995/482 and 1339, 1996/2545 and 1998/470.
(**7**) S.I. 1987/1973; the relevant amending instruments are S.I. 1988/660, 1992/2155, 1993/2119, 1995/1339, 1996/2545 and 1998/470.
(**8**) S.I. 1987/1971; the relevant amending instruments are S.I. 1988/1444, 1989/416 and 1017, 1990/546 and 1775, 1991/1599, 1992/50 and 1326, 1993/2118, 1994/578, 1996/462, 1803, 2518 and 2545, 1997/1790 and 1998/470, 766 and 1541.

"the Income Support Regulations" means the Income Support (General) Regulations 1987(**9**);

"the Jobseeker's Allowance Regulations" means the Jobseeker's Allowance Regulations 1996(**10**); and

"the Pension Schemes Act" means the Pension Schemes Act 1993(**11**).

PART II

SOCIAL SECURITY BENEFITS AND PENSIONS

Increase in rates or amounts of certain benefits under the Contributions and Benefits Act

3.—(1) The sums specified in paragraph (2) below shall be increased from and including the respective dates specified in article 6 below so as to have effect as set out in Schedule 1 to this Order.

(2) The sums mentioned in paragraph (1) above are the sums specified in Parts I, III, IV and V of Schedule 4 to the Contributions and Benefits Act (contributory periodical benefits, non-contributory periodical benefits, increases for dependants and rates of industrial injuries benefit), except in Part III the sum specified for age addition to a pension of any category, and otherwise under section 79 of that Act.

Increase in rates or amounts of certain pensions or allowances under the Contributions and Benefits Act

4.—(1) The sums specified in paragraphs (2), (3) and (4) below shall be increased from and including the respective dates specified in article 6 below.

(2) The sums falling to be calculated under paragraph 13(4) of Schedule 7 to the Contributions and Benefits Act (calculation of weekly rate of a beneficiary's retirement allowance) shall be increased by 3.2 per cent. of their amount apart from this Order.

(3) In section 44(4) of the Contributions and Benefits Act(**12**) (basic pension in a Category A retirement pension)—

(a) for the sum of £62.05 there shall be substituted the sum of £64.05; and

(b) for the sum of £64.70 there shall be substituted the sum of £66.75.

(4) It is hereby directed(**13**) that the sums which are—

(a) the additional pensions in long-term benefits calculated by reference to any final relevant year earlier than the tax year 1998–99;

(b) the increases in the rates of retirement pensions under Schedule 5 to the Contributions and Benefits Act(**14**) (increase of pension where entitlement is deferred); and

(c) payable to a pensioner as part of his Category A or Category B retirement pension by virtue of an order made under section 126A of the Social Security Act 1975(**15**), section 63 of the

(**9**) S.I. 1987/1967; the relevant amending instruments are S.I. 1988/663, 910, 999, 1228, 1445 and 2022, 1989/534, 1034 and 1678, 1990/547, 1776 and 2324, 1992/50, 1326 and 3147, 1993/2119, 1994/527, 1995/516, 1613, 2287 and 2927, 1996/206, 1803, 2518, 2545 and 2431, 1997/2197 and 2604 and 1998/470.
(**10**) S.I. 1996/207; the relevant amending instruments are S.I. 1996/1516, 1517, 1803, 2518, 2538 and 2545 and 1998/470.
(**11**) 1993 c. 48.
(**12**) Section 44(4) was amended by paragraph 11 of Schedule 1 to the Social Security (Incapacity for Work) Act 1994 (c. 18) and section 68 of the Social Security Act 1998 (c. 14).
(**13**) *See* section 151(1) of the Social Security Administration Act 1992.
(**14**) Schedule 5 was amended by the Pension Schemes Act 1993 (c. 48), Schedule 8, paragraph 42; the Social Security (Incapacity for Work) Act 1994, Schedule 1, paragraph 40; and the Pensions Act 1995, Schedule 4, paragraph 21 and Schedule 7.
(**15**) 1975 c. 14; section 126A was inserted by section 12 of the Social Security Act 1979 (c. 18) and repealed by the Social Security Act 1986, section 86, Schedule 11.

Social Security Act 1986(**16**) or section 150(1)(e) of the Social Security Administration Act 1992(**17**),

shall in each case be increased by 3.2 per cent. of their amount apart from this Order.

Increase in rates or amounts of certain benefits under the Pension Schemes Act

5.—(1) It is hereby directed(**18**) that the sums specified in paragraph (2) below shall be increased from and including the respective dates specified in article 6 below.

(2) Sums which are payable by virtue of section 15(1) of the Pension Schemes Act (which provides for increases in a person's guaranteed minimum pension if payment of his occupational pension is postponed after he attains pensionable age) to a person who is also entitled to a Category A or Category B retirement pension (including sums payable by virtue of section 17(2) and (3) of that Act), shall be increased by—

(a) 3.2 per cent. of their amount apart from this Order where the increase under section 15(1) is attributable to earnings factors for the tax year 1987–88 and earlier tax years(**19**); and

(b) 0.2 per cent. of their amount apart from this Order where the increase under section 15(1) is attributable to earnings factors for the tax years 1988–89 to 1996–97 inclusive.

Dates on which sums specified for rates or amounts of benefit under the Contributions and Benefits Act or the Pension Schemes Act are increased by this Order

6.—(1) Paragraphs (2) to (9) of this article, which are subject to the provisions of paragraphs (10) and (11) below, specify the date on which the increases made by this Order in the sums specified for rates or amounts of benefit under the Contributions and Benefits Act or the Pension Schemes Act, shall take effect for each case.

(2) Subject to paragraph (3) below, the increases in the sums mentioned in articles 3, 4 and 11 of this Order for Category A and Category B retirement pension and graduated retirement benefit together with, where appropriate, increases for dependants, shall take effect on 12th April 1999.

(3) In the case of a person over pensionable age whose entitlement to a Category A retirement pension is deferred and for whom the rate of short-term incapacity benefit falls to be calculated in accordance with section 30B(3) of the Contributions and Benefits Act(**20**), the increases in the sums mentioned in articles 3, 4 and 11 of this Order for Category A and Category B retirement pension and graduated retirement benefit together with, where appropriate, increases for dependants, shall take effect on 15th April 1999.

(4) The increases in the sums mentioned in articles 4(4)(c) and 5(2) shall take effect on 12th April 1999.

(5) The increases in the sums specified for the rate of maternity allowance, widowed mother's allowance, widow's pension, Category C and Category D retirement pension, child's special allowance(**21**), attendance allowance, invalid care allowance (except in a case where the Secretary of State has made arrangements for it to be paid on a Wednesday), together with, in each case where

(**16**) 1986 c. 50. Section 63 was repealed by Schedule 1 to the Social Security (Consequential Provisions) Act 1992 (c. 6).
(**17**) 1992 c. 5.
(**18**) *See* section 151(2) of the Social Security Administration Act 1992.
(**19**) *See* section 151(4) of the Social Security Administration Act 1992. Under section 151(4) where an increment under section 15(1) of the Pension Schemes Act is increased by an order under section 109 of that Act, the increase that would otherwise fall to be made by this Order is reduced by the amount of the increase under section 109. Section 109 of the Pension Schemes Act was amended by section 55 of the Pensions Act 1995 (c. 26). The Guaranteed Minimum Pensions Increase Order 1999 (S.I.) provides for an increase of 3 per cent. where the increase under section 15(1) is attributable to the tax years 1988–89 and subsequent tax years up to and including 1996–97.
(**20**) Section 30B was inserted by section 2(1) of the Social Security (Incapacity for Work) Act 1994 (c. 18) and amended by paragraph 21(3) of Schedule 4 to the Pensions Act 1995 (c. 26).
(**21**) Child's special allowance was abolished except for existing beneficiaries as from 6th April 1987 (see section 56 of the Social Security Contributions and Benefits Act 1992).

appropriate, increases for dependants, and guardian's allowance shall in all cases take effect on 12th April 1999.

(6) The increases in the sums specified for the rate of invalid care allowance in a case where the Secretary of State has made arrangements for it to be paid on a Wednesday together with, where appropriate, increases for dependants, disablement benefit together with increases of disablement pension, maximum disablement gratuity under paragraph 9(2) of Schedule 7 to the Contributions and Benefits Act, industrial death benefit by way of widow's and widower's pension and allowance in respect of children together with, where appropriate, increases for dependants, and the maximum of the aggregate of weekly benefit payable for successive accidents, under section 107(1) of the Contributions and Benefits Act, shall in all cases take effect on 14th April 1999.

(7) In any case where a person's weekly rate of Category A or Category B retirement pension falls to be increased under the provisions of section 47(1) or 48C(2) of the Contributions and Benefits Act(**22**) by reference to the weekly rate of invalidity allowance or age addition to long-term incapacity benefit to which he was previously entitled, the increase in such sum shall take effect on 12th April 1999.

(8) The increases in the sums specified for the rate of incapacity benefit and severe disablement allowance (together with, where appropriate, increases for dependants) shall take effect in all cases on 15th April 1999.

(9) The increases in the sums falling to be calculated in accordance with paragraph 13(4) of Schedule 7 to the Contributions and Benefits Act (retirement allowance) shall take effect on 14th April 1999.

(10) In the case of a person who is subject to the provisions of regulations made under section 73(1)(b) of the Social Security Administration Act 1992(**23**) (adjustment of benefit for persons undergoing medical or other treatment as an in-patient in a hospital) the increase in the sum mentioned in article 4(3)(b) of this Order shall take effect in that case on the day on which the increase in the benefit payable to him apart from those regulations takes effect.

(11) The increases in the sums specified in articles 3 and 23(c) of this Order, in so far as those sums are relevant for the purposes of establishing whether the rate of any benefit is not to be increased in respect of an adult dependant because the earnings of the dependant exceed a specified amount(**24**), shall take effect—

(a) except in a case where sub-paragraph (b) below applies, on the first day of the first benefit week to commence for the beneficiary on or after 12th April 1999;

(b) in a case where regulation 7(b) of the Computation of Earnings Regulations (date on which earnings are treated as paid) applies, on the first day of the first benefit week to commence for the beneficiary on or after 1st April 1999,

and for the purposes of this paragraph "benefit week" has the same meaning as in regulation 2(1) of the Computation of Earnings Regulations.

Increase in rates of certain workmen's compensation and industrial diseases benefits in respect of employment before 5th July 1948

7. In Schedule 8 to the Contributions and Benefits Act the sum of £38.70 referred to in paragraph 2(6)(c) (maximum weekly rate of lesser incapacity allowance supplementing workmen's compensation) and paragraph 6(2)(b) (industrial diseases benefit schemes: weekly rate of allowance

(**22**) Section 47(1) was amended by paragraph 13 of Schedule 1 to the Social Security (Incapacity for Work) Act 1994 (c. 18); section 48C was inserted by paragraph 3 of Schedule 4 to the Pensions Act 1995 (c. 26).
(**23**) Section 73(1) was amended by paragraph 49 of Schedule 2 to the Jobseekers Act 1995 (c. 18).
(**24**) *See* sections 82(3)(a), 83(2)(b) and 84(2)(b) of the Social Security Contributions and Benefits Act 1992, regulations 8 and 10(2) of, and paragraph 7 of Schedule 2 to, the Social Security Benefit (Dependency) Regulations 1977 (S.I. 1977/343), and regulation 10 of the Social Security (Incapacity Benefit—Increases for Dependants) Regulations 1994 (S.I. 1994/2945). Relevant amending instruments are S.I. 1984/1698 and 1699, 1989/523 and 1642, 1992/3041, 1994/2945 and 1996/1345.