

1980 No. 1302

PENSIONS

The Pensions Increase (Review) Order 1980

Made - - - - 26th August 1980

Laid before Parliament 8th September 1980

Coming into Operation 24th November 1980

Whereas by virtue of section 23 of the Social Security Pensions Act 1975(a) a direction has been given (b) under section 124 of the Social Security Act 1975(c) by the Secretary of State for Social Services that the sums mentioned in section 23(1)(b) are to be increased:

Now therefore the Minister for the Civil Service, in exercise of the powers conferred on her by section 59(1), (2) and (5) of the Social Security Pensions Act 1975 and of all other powers enabling her in that behalf, hereby makes the following Order:—

Citation and commencement

1. This Order may be cited as the Pensions Increase (Review) Order 1980 and shall come into operation on 24th November 1980.

Interpretation

2.—(1) In this Order—

“the 1971 Act” means the Pensions (Increase) Act 1971(d);

“the 1974 Act” means the Pensions (Increase) Act 1974(e);

“the 1975 Act” means the Social Security Pensions Act 1975;

“basic rate” has the meaning given by section 17(1) of the 1971 Act as amended by section 1(3) of the 1974 Act;

“the existing Orders” means the Pensions Increase (Annual Review) Order 1972(f), the Pensions Increase (Annual Review) Order 1973(g), the Pensions Increase (Annual Review) Order 1974(h), the Pensions Increase (Annual Review) Order 1975(i), the Pensions Increase (Annual Review) Order 1976(j), the Pensions Increase (Annual Review) Order 1977(k), the Pensions Increase (Annual Review) Order 1978(l) and the Pensions Increase (Review) Order 1979(m);

(a) 1975 c. 60; section 59 was amended by section 11 of the Social Security Act 1979 (c. 18).

(b) The direction is contained in S.I. 1980/1245.

(c) 1975 c. 14; a relevant amendment was made to section 126(5) by section 1(3) of the Social Security Act 1980 (c. 30).

(d) 1971 c. 56.

(e) 1974 c. 9.

(f) S.I. 1972/1298.

(g) S.I. 1973/1370.

(h) S.I. 1974/1373.

(i) S.I. 1975/1384.

(j) S.I. 1976/1356.

(k) S.I. 1977/1387.

(l) S.I. 1978/1211.

(m) S.I. 1979/1047.

“official pension” has the meaning given by section 5(1) of the 1971 Act;

“pension authority” has the meaning given by section 7(1) of the 1971 Act;

“qualifying condition” means one of the conditions laid down in section 3 of the 1971 Act as amended by section 3(2) and (3) of the 1974 Act;

“widow’s pension” means a pension payable in respect of the services of the pensioner’s deceased husband.

(2) For the purposes of this Order the time when a pension “begins” is that stated in section 8(2) of the 1971 Act, and the “beginning date” shall be construed accordingly.

(3) Where for the purposes of this Order, it is necessary to calculate the number of complete months in any period an incomplete month shall be treated as a complete month if it consists of at least 16 days.

Pension increases

3. The annual rate of an official pension may, if a qualifying condition is satisfied or the pension is a widow’s pension, be increased by the pension authority in respect of any period beginning on or after 24th November 1980 as follows:—

(1) a pension beginning before 12th November 1979 may be increased by 16·5 per cent of the basic rate as increased by the amount of any increase under section 1 of the 1971 Act or the existing Orders;

(2) a pension beginning on or after 12th November 1979 and before 24th November 1980 may be increased by 16·5 per cent multiplied by $\frac{A}{B}$ where

(a) A is the number of complete months in the period between the beginning date of the pension and 24th November 1980 and

(b) B is 12.

Increases in certain lump sums

4. In respect of any lump sum or instalment of a lump sum which became payable before 24th November 1980 but after 11th November 1979 there may be paid an increase of 16·5 per cent of the amount of the lump sum or instalment (as increased by the amount of any increase under section 1 of the 1971 Act or under the existing Orders) multiplied by $\frac{A}{B}$ where

(a) A is the number of complete months in the period between the beginning date for the lump sum or, if later, 12th November 1979 and the date on which it became payable; and

(b) B is 12.

Reductions in respect of guaranteed minimum pensions

5. The amount by reference to which any increase in the rate of an official pension provided for by this Order is to be calculated shall, in the case of a person who

(a) is entitled to a guaranteed minimum pension on 24th November 1980,
and

(b) whose entitlement to that guaranteed minimum pension arises from
an employment from which (either directly or by virtue of the payment
of a transfer credit under section 38 of the 1975 Act) entitlement to the
official pension also arises,

be reduced by an amount equal to the rate of the guaranteed minimum pension
unless the Minister for the Civil Service shall, in accordance with the provisions
of section 59A of the 1975 Act, otherwise direct.

Given under the official seal of the Minister for the Civil Service on 26th
August 1980.

(L.S.)

Paul Channon,
Minister of State,
Civil Service Department.

EXPLANATORY NOTE

(This Note is not part of the Order.)

Under section 59 of the Social Security Pensions Act 1975 as amended by section 11 of the Social Security Act 1979 and as modified by section 59A of the 1975 Act (introduced by section 11(4) of the 1979 Act) the Minister for the Civil Service is required to provide by order for the increase in the rates of public service pensions. The increase is the percentage (or in some circumstances a fraction of the percentage) by which the Secretary of State for Social Services has, by directions given under the provisions of section 23 of the Social Security Pensions Act 1975, increased the sums referred to in section 23(1)(b) of the 1975 Act. These are the sums which are the additional components in the rates of long term benefits namely the additional pension entitlements accruing to employees in respect of their earnings after 5th April 1978.

For pensions which began before 12th November 1979 the increase is 16.5%. For pensions which began on or after 12th November 1979, the increases are as follows:

<i>Pensions Beginning</i>	<i>Percentage Increase</i>	<i>Pensions Beginning</i>	<i>Percentage Increase</i>
12th November 1979 to 8th December 1979	16.5%	9th May 1980 to 8th June 1980	8.3%
9th December 1979 to 8th January 1980	15.1%	9th June 1980 to 8th July 1980	6.9%
9th January 1980 to 8th February 1980	13.8%	9th July 1980 to 8th August 1980	5.5%
9th February 1980 to 8th March 1980	12.4%	9th August 1980 to 8th September 1980	4.1%
9th March 1980 to 8th April 1980	11.0%	9th September 1980 to 8th October 1980	2.8%
9th April 1980 to 8th May 1980	9.6%	9th October 1980 to 8th November 1980	1.4%

Deferred lump sum beginning on or before 8th November 1980, and which become payable after 23rd November 1980 receive the same percentage increase as pensions which began on the same date. Also Article 4 of the Order provides for increases on certain deferred lump sums which became payable after 11th November 1979 and before 24th November 1980.

The Order also makes provision for the amount by reference to which any increase in the rate of an official pension is to be calculated to be reduced by the amount equal to the rate of the guaranteed minimum pension entitlement deriving from the employment which gives rise to the official pension. This is required by section 59(5) of the Social Security Pensions Act 1975 but section 59A of that Act empowers the Minister for the Civil Service to direct that in respect of specified cases or classes of case either no such reduction be made or the reduction shall be less than the rate of the guaranteed minimum pension.

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