
STATUTORY INSTRUMENTS

1981 No. 1217

PENSIONS

The Pensions Increase (Review) Order 1981

<i>Made</i>	- - - -	<i>18th August 1981</i>
<i>Laid before Parliament</i>		<i>7th September 1981</i>
<i>Coming into Operation</i>		<i>23rd November 1981</i>

Whereas by virtue of section 23 of the Social Security Pensions Act 1975(1) a direction has been given(2) under section 124 of the Social Security Act 1975(3) 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 1981 and shall come into operation on 23rd November 1981.

Interpretation

2.—(1) In this Order—

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

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

“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, the Pensions Increase (Annual Review) Order 1973, the Pensions Increase (Annual Review) Order 1974, the Pensions Increase (Annual Review) Order 1975, the Pensions Increase (Annual Review) Order 1976, the Pensions Increase (Annual Review) Order 1977, the Pensions Increase (Annual

(1) section 59 was amended and section 59A was added by section 11 of the Social Security Act 1979 (c. 18).

(2) The direction is contained in S.I. 1981/1195.

(3) relevant amendments were made to section 125(3) by section 1(1) of the Social Security Act 1981 (c. 33) and to section 126(5) by section 1(3) of the Social Security Act 1980 (c. 30).

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Review) Order 1978, the Pensions Increase (Review) Order 1979 and the Pensions Increase (Review) Order 1980;

“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 23rd November 1981 as follows:—

(1) a pension beginning before 24th November 1980 may be increased by 9.06 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 24th November 1980 and before 23rd November 1981 may be increased by 9.06 per cent multiplied by

AB

where

(a) A is the number of complete months in the period between the beginning date of the pension and 23rd November 1981 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 23rd November 1981 but after 23rd November 1980 there may be paid an increase of 9.06 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

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, 24th November 1980 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 23rd November 1981, 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 18 August 1981.

L.S.

Barney Hayhoe
Minister of State
Civil Service Department

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EXPLANATORY NOTE

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 24th November 1980 the increase is 9.06 per cent. For pensions which began on or after 24th November 1980, the increases are as follows:

<i>PENSIONS BEGINNING</i>	<i>PERCENTAGE INCREASE</i>
24th November 1980 to 7th December 1980	9.06%
8th December 1980 to 7th January 1981	8.31%
8th January 1981 to 7th February 1981	7.55%
8th February 1981 to 7th March 1981	6.80%
8th March 1981 to 7th April 1981	6.04%
8th April 1981 to 7th May 1981	5.29%
8th May 1981 to 7th June 1981	4.53%
8th June 1981 to 7th July 1981	3.78%
8th July 1981 to 7th August 1981	3.02%
8th August 1981 to 7th September 1981	2.27%
8th September 1981 to 7th October 1981	1.51%
8th October 1981 to 7th November 1981	0.76%

Deferred lump sums beginning on or before 7th November 1981 and which become payable after 22nd November 1981 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 23rd November 1980 and before 23rd November 1981.

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.