

2016 No. 1141

SOCIAL SECURITY

**The State Pension Revaluation for Transitional Pensions Order
2016**

Made - - - - - *23rd November 2016*

Laid before Parliament *28th November 2016*

Coming into force in accordance with article 1(2)

The Secretary of State for Work and Pensions has carried out a review in accordance with section 148AC(1) of the Social Security Administration Act 1992(a) and it appeared to the Secretary of State that the general level of prices in Great Britain has increased during the review period.

Accordingly the Secretary of State makes the following Order in exercise of the powers conferred by sections 148AC(3) and 189(1) and (4) of the Social Security Administration Act 1992(b).

Citation, commencement and interpretation

1.—(1) This Order may be cited as the State Pension Revaluation for Transitional Pensions Order 2016.

(2) This Order comes into force on—

(a) 19th December 2016 for the purpose of making an award on a claim for a state pension under regulation 15(1) of the Social Security (Claims and Payments) Regulations 1987(c) to a person who reaches pensionable age on or after 10th April 2017; and

(b) 9th April 2017 for all other purposes.

(3) In this article “a state pension” means a state pension under Part 1 of the Pensions Act 2014(d).

The increase in the general level of prices

2. For the purposes of section 148AC(3) and (4) of the Social Security Administration Act 1992 (revaluation for transitional pensions under Pensions Act 2014), the increase in the general level of prices during the review period(e) is 1.0 per cent.

(a) 1992 c. 5. Section 148AC was inserted by paragraph 17 of Schedule 12 to the Pensions Act 2014 (c. 19).

(b) Section 189 was amended by paragraph 109 of Schedule 7 and Schedule 8 to the Social Security Act 1998 (c. 14), paragraph 57(2) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), Schedule 6 to the Tax Credits Act 2002 (c. 21) and S.I. 2013/252. There are other amendments to section 189 that are not relevant to this Order.

(c) S.I. 1987/1968. Regulation 15(1) was amended by S.I. 2005/1551 and 2015/1985.

(d) 2014 c. 19.

(e) The review period is defined in section 148AC(2) of the Social Security Administration Act 1992.

Signed by authority of the Secretary of State for Work and Pensions

23rd November 2016

Richard Harrington
Minister of State,
Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made following a review under section 148AC(1) of the Social Security Administration Act 1992 (c.5) (revaluation for transitional pensions under Pensions Act 2014).

The Pensions Act 2014 (c.19) created a new state pension for people reaching pensionable age on or after 6th April 2016 (see Part 1 of that Act). Pensionable age has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 (c.26). The part of a person's new state pension based on their pre-April 2016 contribution record that exceeds the full rate of the new state pension as at 6th April 2016 is commonly referred to as a 'protected payment'. Paragraph 6(5) of Schedule 1 to the Pensions Act 2014 provides for the revaluing of 'protected payments' by increasing these payments by the 'revaluing percentage' specified in the last order under section 148AC(3) to come into force before the person reaches pensionable age. Under section 148AC(4) of the Social Security Administration Act 1992, the 'revaluing percentage' is the percentage of the increase in the general level of prices since 6th April 2016 specified in an order made under section 148AC(3) of that Act.

Article 2 of this Order specifies the increase in the general level of prices during the review period as 1.0 per cent for the purposes of section 148AC(3) and (4) of the Social Security Administration Act 1992.

Article 1(2)(a) brings this Order into force on 19th December 2016 for the purpose of making an advance award of state pension under regulation 15 of the Social Security (Claims and Payments) Regulations 1987 (S.I. 1987/1968). This means that an advance award of state pension can be made to claimants who reach pensionable age on or after 10th April 2017 which takes account of the revaluation of their pension. Article 1(2)(b) brings the Order into force for all other purposes on 9th April 2017. A claimant's protected payment is revalued by the revaluing percentage specified in the last order to come into force before they reach pensionable age. To apply to claimants reaching pensionable age on or after 10th April 2017 the Order therefore needs to come into force on 9th April 2017.

An impact assessment has not been produced for this instrument as it has no new impact on business or civil society organisations.

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£4.25

UK2016112323 11/2016 19585

<http://www.legislation.gov.uk/id/uksi/2016/1141>

ISBN 978-0-11-115172-3



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