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STATUTORY RULES OF NORTHERN IRELAND

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**2015 No. 308**

**SOCIAL SECURITY**

**The Pensions (2015 Act) (Consequential Amendments)  
(Units of Additional Pension) Order (Northern Ireland) 2015**

*Made* - - - - *16th July 2015*  
*Coming into operation* *12th October 2015*  
*Approved by resolution of the Assembly on 8th March 2016*

The Department for Social Development makes the following Order in exercise of the powers conferred by section 50 of the Pensions Act (Northern Ireland) 2015<sup>(1)</sup>.

**Citation and Commencement**

1. This Order may be cited as the Pensions (2015 Act) (Consequential Amendments) (Units of Additional Pension) Order (Northern Ireland) 2015 and shall come into operation on 12th October 2015.

**Amendment of the Contributions and Benefits Act**

2.—(1) The Contributions and Benefits Act is amended in accordance with paragraphs (2) and (3).

(2) In section 47(2) (increase of Category A retirement pension for invalidity) after subsection 3 insert—

“(3A) In subsections (2) and (3) above references to additional pension do not include any amount of additional pension attributable to units of additional pension.

(3B) For units of additional pension, see section 14A(3).”.

(3) In Schedule 7 (industrial injuries benefits) after paragraph 3(3)(4) (increase of unemployability supplement) insert—

“(3A) In sub-paragraphs (2) and (3) above references to additional pension do not include any amount of additional pension attributable to units of additional pension.

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(1) [2015 c. 5 \(N.I.\)](#)

(2) Section 47 was amended by paragraph 33 of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993 (c. 49) and paragraph 13 of Schedule 1 to the Social Security (Incapacity for Work) (Northern Ireland) Order 1994 (S.I. 1994/1898 (N.I. 12))

(3) Section 14A was inserted by paragraph 17 of Schedule 15 to the Pensions Act 2014 (c. 19)

(4) Paragraph 3 was amended by paragraph 37 of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993, Schedule 2 to the Social Security (Incapacity for Work) (Northern Ireland) Order 1994, paragraph 19(2) of Schedule 2 to the Jobseekers (Northern Ireland) Order 1995 (S.I. 1995/2705 (N.I. 15)) and paragraph 13 of Schedule 3 to the Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13 (N.I.))

(3B) For units of additional pension, see section 14A.”.

#### **Amendment of the Pension Schemes Act**

**3.** In section 42 of the Pension Schemes Act<sup>(5)</sup> (effect of entitlement to guaranteed minimum pensions on payment of social security benefits) at the end insert—

“(10) In this section a reference to “additional pension” does not include any amount of additional pension attributable to units of additional pension.

(11) For units of additional pension, see section 14A of the Social Security Contributions and Benefits (Northern Ireland) Act 1992.”.

#### **Amendment of the Social Security (Inherited SERPS) Regulations**

**4.** In regulation 1(2) of the Social Security (Inherited SERPS) Regulations (Northern Ireland) 2001<sup>(6)</sup> (interpretation) in the definition of “additional pension” after “2002” insert “and an additional pension attributable to units of additional pension (within the meaning of section 14A of the Contributions and Benefits Act)”.

Sealed with the Official Seal of the Department for Social Development on 16th July 2015

(L.S.)

*Anne McCleary*  
A senior officer of the Department for Social  
Development

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(5) Section 42 was amended by paragraph 54 of Schedule 1 to the Social Security (Incapacity for Work) (Northern Ireland) Order 1994, paragraph 19 of Schedule 2, and paragraph 36 of Schedule 3, to the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) and paragraph 17 of Schedule 8 to the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I.)) and is modified by S.R. 1987 No. 296 and S.R. 1996 No. 618

(6) S.R. 2001 No. 441 to which there are amendments not relevant to this Order

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This is the first rule to be made under section 50 of the Pensions Act (Northern Ireland) 2015. This Order makes consequential amendments to primary and secondary legislation as a result of the introduction of increased additional pension attributable to units of additional pension. A person may pay a Class 3A voluntary National Insurance contribution in return for a unit of additional pension which results in an increase in the weekly rate of the additional pension in a Category A, B or D retirement pension.

Article 2 amends section 47 of, and paragraph 3 of Schedule 7 to, the Social Security Contribution and Benefits (Northern Ireland) Act 1992 in order to exclude the part of a person's additional pension in a Category A retirement pension that is attributable to units of additional pension from the relevant calculation. Therefore the reference in these provisions to an additional pension in a Category A retirement pension will only include the additional pension attributable to any surpluses in the pensioner's earnings factors for the tax years in their working life. This will mean in the case of State Pension that the amounts paid to those incapacitated before age 45 who received an increase to their long-term incapacity benefit, and subsequently an equivalent increase to their State Pension as a result, will be unaffected by the person having paid Class 3A contributions. This will also mean in the case of disablement pension, that the amount of the person's unemployability supplement will be unaffected by the person having paid Class 3A contributions.

Article 3 makes similar amendments to section 42 of the Pension Schemes (Northern Ireland) Act 1993 which applies to persons entitled to State Pension or disablement pension who are also entitled to a guaranteed minimum pension. Section 42 refers to and modifies both section 47 of, and paragraph 3 of Schedule 7 to, the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

Article 4 makes an amendment to the Social Security (Inherited SERPS) Regulations (Northern Ireland) 2001. It amends the definition of "additional pension" in regulation 1(2) so that it includes additional pension that a deceased spouse or civil partner was entitled to by virtue of that person paying a Class 3A voluntary national insurance contribution in return for a unit of additional pension. This will mean that a surviving spouse or civil partner will, in line with existing rules for other additional pension, be able to inherit the full amount of pension due from units of additional pension of the deceased spouse or civil partner if the deceased attained pensionable age before 6 October 2002; or a lesser amount of additional pension in line with the arrangements for a gradual reduction in inheritance to fifty percent where the spouse or civil partner who died reached State Pension age between 6 October 2002 and 5 October 2010.