



2002 CHAPTER 14

Interpretation of state pension credit provisions

Income and capital

15.—(1) In this Act “income” means income of any of the following descriptions—

- (a) earnings;
- (b) working tax credit;
- (c) retirement pension income;
- (d) income from annuity contracts (other than retirement pension income);
- (e) prescribed social security benefits (other than retirement pension income and state pension credit);
- (f) foreign social security benefits of any prescribed description;
- (g) a war disablement pension or war widow's or widower's pension;
- (h) a foreign war disablement pension or foreign war widow's or widower's pension;
- (i) income from capital;
- (j) income of any prescribed description.

(2) Regulations may provide that a person's capital shall be deemed to yield him income at a prescribed rate.

(3) Income and capital shall be calculated or estimated in such manner as may be prescribed.

(4) A person's income in respect of any period shall be calculated in accordance with prescribed rules.

Changes to legislation: *State Pension Credit Act (Northern Ireland) 2002, Cross Heading: Interpretation of state pension credit provisions is up to date with all changes known to be in force on or before 26 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(5) The rules may provide for the calculation to be made by reference to an average over a period (which need not consist of or include the whole or any part of the period concerned).

(6) Circumstances may be prescribed in which—

- (a) a person is treated as possessing capital or income which he does not possess;
- (b) capital or income which a person does possess is to be disregarded;
- (c) income is to be treated as capital; or
- (d) capital is to be treated as income.

Retirement pension income

16.—(1) In this Act “retirement pension income” means any of the following—

[^{F1}(za) a state pension under Part 1 of the Pensions Act (Northern Ireland) 2015 or under Part 1 of the Pensions Act 2014;]

(a) a Category A or Category B retirement pension payable under sections 43 to 55 of—

- (i) the Contributions and Benefits Act; or
- (ii) the Social Security Contributions and Benefits Act 1992 (c. 4);

[^{F2}(b) a shared additional pension payable under—

- (i) section 55A of either of those Acts, or
- (ii) section 55AA of either of those Acts;]

(c) graduated retirement benefit payable under section 62 of either of those Acts;

(d) a Category C or Category D retirement pension payable under section 78 of either of those Acts;

(e) age addition payable under section 79 of either of those Acts;

(f) income from an occupational pension scheme or a personal pension scheme;

(g) income from an overseas arrangement;

(h) income from a retirement annuity contract;

(i) income from an annuity or insurance policy purchased or transferred for the purpose of giving effect to rights under a personal pension scheme or an overseas arrangement;

(j) income from an annuity purchased or entered into for the purpose of discharging liability under—

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- (i) Article 26(1)(b) of the Welfare Reform and Pensions (Northern Ireland) Order 1999 (NI 11) (pension credits on divorce); or
- (ii) section 29(1)(b) of the Welfare Reform and Pensions Act 1999 (c. 30) (corresponding provision for Great Britain).
- [^{F3}[^{F4}(k) any sum payable by way of pension under section 5 of the Civil List Act 1837 or section 7 of the Civil List Act 1952;]
- (l) any payment, other than a payment ordered by a court or made in settlement of a claim, made by or on behalf of a former employer of a person on account of the early retirement of that person on grounds of ill-health or disability]
- (2) The Department may by regulations amend subsection (1); and any such regulations may—
 - (a) add to or vary the descriptions of income for the time being listed in that subsection; or
 - (b) remove any such description from that subsection.
- (3) In this section—
 - “overseas arrangement” has the meaning given by section 176(1) of the Pension Schemes Act;
 - “retirement annuity contract” means a contract or scheme approved under Chapter III of Part XIV of the Income and Corporation Taxes Act 1988 (c. 1).

- F1** S. 16(1)(za) inserted (6.4.2016 unless brought into operation earlier by an order under s. 53(1) of the amending Act) by [Pensions Act \(Northern Ireland\) 2015 \(c. 5\), s. 53\(3\)](#), [Sch. 12 para. 40](#)
- F2** S. 16(1)(b) substituted (6.4.2016 unless brought into operation earlier by an order under s. 53(1) of the amending Act) by [Pensions Act \(Northern Ireland\) 2015 \(c. 5\), s. 53\(3\)](#), [Sch. 11 para. 14](#)
- F3** SR 2003/28
- F4** S. 16(1)(k) substituted (1.4.2012) by [Sovereign Grant Act 2011 \(c. 15\), ss. 14, 15\(1\)](#), [Sch. 1 para. 33](#)

Other interpretation provisions

- 17.—(1) In this Act—
- “the 1998 Order” means the Social Security (Northern Ireland) Order 1998 (NI 10);
 - “the Administration Act” means the Social Security Administration (Northern Ireland) Act 1992 (c. 8);
 - “appropriate minimum guarantee” shall be construed in accordance with section 2(3);

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“assessed income period” shall be construed in accordance with sections 6 and 9;

“capital” shall be construed in accordance with section 15;

“claimant” means a claimant for state pension credit;

“the Contributions and Benefits Act” means the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7);

[^{F5}“couple” means—

- (a) two people who are married to, or civil partners of, each other and are members of the same household, or
- (b) two people who are not married to, or civil partners of, each other but are living together as if spouses of each other otherwise than in prescribed circumstances;]

“the Department” means the Department for Social Development;

“earnings” has the same meaning as in Parts I to V of the Contributions and Benefits Act (see sections 3(1) and 112, and the definition of “employment” in section 121(1), of that Act);

“element”, in relation to the claimant's retirement provision, shall be construed in accordance with section 7(6);

“entitled”, in relation to state pension credit, shall be construed in accordance with—

- (a) this Act;
- (b) section 1 of the Administration Act (entitlement to benefit dependent on claim); and
- (c) Article 27 of the 1998 Order (restrictions on entitlement to benefit in certain cases of error),

(and, in relation to any other benefit within the meaning of section 1 of the Administration Act or Article 27 of the 1998 Order, in accordance with that section or that Article or (as the case may be) both that section and that Article in addition to any other conditions relating to that benefit);

“foreign social security benefit” means any benefit, allowance or other payment which is paid under the law of a country outside the United Kingdom and is in the nature of social security;

“foreign war disablement pension” means any retired pay, pension, allowance or similar payment granted by the government of a country outside the United Kingdom—

- (a) in respect of disablement arising from forces' service or war injury; or
- (b) corresponding in nature to any retired pay or pension to which [^{F6} section 641 of the Income Tax (Earnings and Pensions) Act 2003] applies;

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“foreign war widow's or widower's pension” means any pension, allowance or similar payment granted to a^[F7] widow, widower or surviving civil partner] by the government of a country outside the United Kingdom—

- (a) in respect of a death due to forces' service or war injury; or
- (b) corresponding in nature to a pension or allowance for a^[F7] widow, widower or surviving civil partner] under any scheme mentioned in^[F6] section 641(1)(e) or (f) of the Income Tax (Earnings and Pensions) Act 2003];

“guarantee credit” shall be construed in accordance with sections 1 and 2;

“income” shall be construed in accordance with section 15;

Definition rep. by 2004 c. 33

“occupational pension scheme” has the meaning given by section 1 of the Pension Schemes Act;

“pensionable age” has the meaning given by the rules in paragraph 1 of Schedule 2 to the Pensions (Northern Ireland) Order 1995 (NI 22) (equalisation of pensionable ages for men and women);

“the Pension Schemes Act” means the Pension Schemes (Northern Ireland) Act 1993 (c. 49);

“personal pension scheme” means a personal pension scheme—

- (a) as defined in section 1 of the Pension Schemes Act; or
- (b) as defined in section 1 of the Pension Schemes Act 1993 (c. 48);

^[F8]“PPF periodic payments” means—

- (a) any periodic compensation payments made in relation to a person, payable under the pension compensation provisions as specified in Article 146(2) of the Pensions (Northern Ireland) Order 2005 or section 162(2) of the Pensions Act 2004 (the pension compensation provisions); or
- (b) any periodic payments made in relation to a person, payable under Article 150 of the Pensions (Northern Ireland) Order 2005 or section 166 of the Pensions Act 2004 (duty to pay scheme benefits unpaid at assessment date etc.);]

“prescribed” means specified in, or determined in accordance with, regulations;

“the qualifying age” has the meaning given by section 1(6);

“regulations” means regulations made by the Department;

“retirement pension income” shall be construed in accordance with section 16;

“retirement provision” shall be construed in accordance with section 7(6);

“savings credit” shall be construed in accordance with sections 1 and 3;

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“social security benefits” means benefits payable under the enactments relating to social security in any part of the United Kingdom;

“standard minimum guarantee” shall be construed in accordance with section 2(3) to (5) and (9);

“statutory provision” has the meaning assigned to it by section 1(f) of the Interpretation Act (Northern Ireland) 1954 (c. 33);

Definition rep. by 2004 c. 33

“war disablement pension” means—

- (a) any retired pay, pension or allowance granted in respect of disablement under powers conferred by or under—
 - (i) the Air Force (Constitution) Act 1917 (c. 51);
 - (ii) the Personal Injuries (Emergency Provisions) Act 1939 (c. 82);
 - (iii) the Pensions (Navy, Army, Air Force and Mercantile Marine) Act 1939 (c. 83);
 - (iv) the Polish Resettlement Act 1947 (c. 19); or
 - (v) Part VII or section 151 of the Reserve Forces Act 1980 (c. 9); or
- (b) without prejudice to paragraph (a), any retired pay or pension to which^{F6} any of paragraphs (a) to (f) of section 641(1) of the Income Tax (Earnings and Pensions) Act 2003] applies;

“war widow's or widower's pension” means—

- (a) [^{F7}any widow's, widower's or surviving civil partner's] pension or allowance granted in respect of a death due to service or war injury and payable by virtue of any enactment mentioned in paragraph (a) of the definition of “war disablement pension”; or
- (b) a pension or allowance for a^{F7} widow, widower or surviving civil partner] granted under any scheme mentioned in^{F6} section 641(1)(e) or (f) of the Income Tax (Earnings and Pensions) Act 2003];

“working tax credit” means a working tax credit under the Tax Credits Act 2002 (c. 21) to which a person is entitled whether alone or jointly with another.

^{F9}(1A)

- (2) Regulations may make provision for the purposes of this Act—
 - (a) as to circumstances in which persons are to be treated as being or not being members of the same household;
 - (b) as to circumstances in which persons are to be treated as being or not being severely disabled.
- (3) The following provisions of the Contributions and Benefits Act, namely—
 - (a) section 168 (references to Northern Ireland or United Kingdom to include reference to adjacent territorial waters, etc.), and

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(b) section 169 (meaning of attaining an age, etc.),
shall apply for the purposes of this Act as they apply for the purposes of that Act.

- F5** Words in s. 17(1) substituted (13.1.2020) by [The Marriage \(Same-sex Couples\) and Civil Partnership \(Opposite-sex Couples\) \(Northern Ireland\) Regulations 2019 \(S.I. 2019/1514\)](#), regs. 1(2), **71(a)** (with regs. 6-9)
- F6** 2003 c. 1
- F7** 2004 c. 33
- F8** S. 17(1): definition of "PPF periodic payments" inserted (14.2.2006) by [S.R. 2006/37, art. 2, Sch. para. 3\(3\)](#)
- F9** S. 17(1A) omitted (13.1.2020) by virtue of [The Marriage \(Same-sex Couples\) and Civil Partnership \(Opposite-sex Couples\) \(Northern Ireland\) Regulations 2019 \(S.I. 2019/1514\)](#), regs. 1(2), **71(b)** (with regs. 6-9)

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act modified by [S.R. 2019/211 art. 2\(2\)\(e\)](#) (This amendment not applied to [legislation.gov.uk](#). Affecting Order revoked (19.12.2020) without ever being in force by [S.R. 2020/347](#), arts. 1(1), 2)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 1(2)(c)(iii) and word inserted by [S.I. 2015/2006 \(N.I.\) Sch. 4 para. 2](#)
- s. 1(3)(c) and word inserted by [S.I. 2015/2006 \(N.I.\) Sch. 4 para. 3\(a\)](#)
- s. 3A inserted by [S.I. 2015/2006 \(N.I.\) Sch. 4 para. 4](#)
- s. 3A(5)(a) words omitted by [S.I. 2016/999 \(N.I.\) art. 15\(9\)](#) (Unable to complete this amendment. S. 3A was inserted by [2015/2006 \(NI 1\)](#), Sch. 4 para. 4 but the Schedule is not yet in force.)
- s. 7(10) inserted by [S.I. 2015/2006 \(N.I.\) Sch. 4 para. 5](#)