



2008 CHAPTER 1

PART 1

STATE PENSION

*Up-rating of basic state pension and other benefits*

**Preservation of link with prices in case of other benefits**

6.—(1) In section 39 of the Contributions and Benefits Act (rate of widowed mother's allowance and widow's pension) after subsection (2) insert—

“(2A) In its application by virtue of subsection (1) above, section 44(4) below is to be read as if for the first amount specified in that provision there were substituted a reference to the amount prescribed for the purposes of this subsection.”.

(2) In section 39C of the Contributions and Benefits Act (rate of widowed parent's allowance and bereavement allowance)—

(a) for subsection (2) substitute—

“(1A) In its application by virtue of subsection (1) above, section 44(4) below is to be read as if for the first amount specified in that provision there were substituted a reference to the amount prescribed for the purposes of this subsection.

(2) The weekly amount of a bereavement allowance is an amount equal to the amount prescribed for the purposes of subsection (1A) above.”; and

(b) in subsection (3) for the words “or (as the case may be) section 44 below by virtue of subsection (1) or (2) above” substitute “by virtue of subsection (1) above”.

(3) Subsections (1) and (2) have effect in relation to the tax year designated by the Secretary of State by an order under section 5(4) of the Pensions Act 2007 (c. 22) and subsequent tax years.

(4) The Department must exercise its power to prescribe amounts for the purposes of the new sections 39(2A) and 39C(1A) (inserted by subsections (1) and (2)) in such a way as to secure that, at any time before the coming into force of the first provision made under the new section 132A that alters the amount of the basic pension, the amounts prescribed are equal to the amount of the basic pension for the time being.

(5) In subsection (4) “the amount of the basic pension” means the first amount specified in section 44(4) of the Contributions and Benefits Act (weekly rate of Category A retirement pension).