
EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes amendments to primary legislation which are consequential on or supplementary to the introduction of the new state pension for people reaching pensionable age on or after 6th April 2016 by the Pensions Act (Northern Ireland) 2015.

Article 2 amends the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (“the Contributions and Benefits Act”).

Article 2(2) amends section 23A of the Contributions and Benefits Act to provide for the crediting of certain contributions in respect of periods of caring to be treated as if they were made before 6th April 2016 for the purposes of calculating the rate of transitional state pension.

Article 2(3) to (5), with the exception of paragraph (4)(a), makes consequential amendments to the Contributions and Benefits Act. These amendments apply where a person who has reached pensionable age under the old state pension scheme claims a Category B retirement pension which is based on the National Insurance contributions of their deceased spouse or civil partner who was in the new state pension scheme. The amendments ensure that the calculation of the additional state pension in the Category B retirement pension, which is based on the Category A retirement pension the deceased would have received if they had been in the old state pension scheme, reflects—

- (a) revaluation to reflect earnings growth in the period before the deceased reached pensionable age, and
- (b) uprating to take inflation into account after they reached pensionable age.

Article 2(4)(a) makes a supplementary amendment to section 51 of the Contributions and Benefits Act. Section 51 was substituted by the Pensions Act (Northern Ireland) 2015 as part of the amendments relating to the introduction of the new state pension. This amendment provides that Schedule 4B to the Contributions and Benefits Act is used to calculate the Category B retirement pension for certain people who attained pensionable age before 6th April 2010.

Article 3 amends Article 64(2) of the Pensions (Northern Ireland) Order 1995 (“the Order”). The principle of equal treatment in occupational pension schemes derives from Article 62 of the Order; Article 64 of the Order sets out exceptions to this principle. One permitted exception is where a man and a woman are eligible to receive different amounts by way of occupational pension and the difference is attributable only to differences between a man and a woman in the State retirement pension they are entitled to. This amendment extends this permitted exception to include the new State pension.

Article 4 amends Article 16(1)(b) of the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 to enable the Department for Social Development to make arrangements for Her Majesty’s Revenue and Customs to make decisions as to whether a person should be awarded a National Insurance credit for the purposes of establishing entitlement to a new state pension.