

Status: Point in time view as at 25/09/2017.

Changes to legislation: Social Security Contributions and Benefits (Northern Ireland) Act 1992, Cross Heading: Calculation of lump sum is up to date with all changes known to be in force on or before 14 July 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)

SCHEDULES

SCHEDULE 5

[^{F1}PENSION INCREASE OR LUMP SUM WHERE ENTITLEMENT TO RETIREMENT PENSION IS DEFERRED]

Textual Amendments

- F1** Sch. 5 heading substituted (17.2.2005 for specified purposes, 6.4.2005 in so far as not already in force) by The Pensions (Northern Ireland) Order 2005 (S.I. 2005/255), art. 1(4), **Sch. 9 para. 2**

Modifications etc. (not altering text)

- C1** Sch. 5 modified (temp. from 1.12.1999 until 5.10.2002) by The Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11)), **arts. 1(4)(b), 49(7)(b)** (the temp. modification lapsing on the coming into operation of S.R. 2001/441)
- C2** Sch. 5 modified (6.4.2005) by The Social Security (Retirement Pensions etc.) (Transitional Provisions) Regulations (Northern Ireland) 2005 (S.R. 2005/123), regs. 1(1), **2**
- C3** Sch. 5: sums amended (25.9.2017) by The Social Security Benefits Up-rating (No. 2) Order (Northern Ireland) 2017 (S.R. 2017/187), arts. 1, **4(3)(b)**

[^{F2}Calculation of lump sum

Textual Amendments

- F2** Sch. 5 paras. 3A, 3B and cross-heading inserted (17.2.2005 for specified purposes, 6.4.2005 in so far as not already in force) by The Pensions (Northern Ireland) Order 2005 (S.I. 2005/255), art. 1(4), **Sch. 9 para. 7(1)** (with Sch. 9 para. 7(2))

- 3B. (1) The lump sum is the accrued amount for the last accrual period beginning during the period of deferment.
- (2) In this paragraph—
- “accrued amount” means the amount calculated in accordance with subparagraph (3);
- “accrual period” means any period of seven days beginning with a prescribed day of the week, where that day falls within the period of deferment.
- (3) The accrued amount for an accrual period for a person is—
- $$(A+P)\times 52(1+R100)$$
- where—
- A is the accrued amount for the previous accrual period (or, in the case of the first accrual period beginning during the period of deferment, zero);

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P is the amount of the Category A or Category B retirement pension to which the person would have been entitled for the accrual period if his entitlement had not been deferred;

R is—

- (a) a percentage rate 2 per cent. higher than the Bank of England base rate, or
- (b) such higher rate as may be prescribed in regulations under paragraph 7C(2).

(4) For the purposes of sub-paragraph (3), any change in the Bank of England base rate is to be treated as taking effect—

- (a) at the beginning of the accrual period immediately following the accrual period during which the change took effect, or
- (b) if regulations so provide, at such other time as may be prescribed.

(5) For the purposes of the calculation of the lump sum, the amount of Category A or Category B retirement pension to which the person would have been entitled for an accrual period—

- (a) includes any increase under section 47(1) and any increase under paragraph 4 of this Schedule, but
- (b) does not include—
 - (i) any increase under section 83A or 85 or [^{F3}paragraphs 5 to 6A] of this Schedule,
 - (ii) any graduated retirement benefit, or
 - (iii) in prescribed circumstances, such other amount of Category A or Category B retirement pension as may be prescribed.

(6) The reference in sub-paragraph (5)(a) to any increase under subsection (1) of section 47 shall be taken as a reference to any increase that would take place under that subsection if subsection (2) of that section and section 42(5) of the Pensions Act were disregarded.]

Textual Amendments

- F3** Words in Sch. 5 para. 3B(5)(b)(i) substituted (5.12.2005) by [The Civil Partnership \(Pensions and Benefit Payments\) \(Consequential, etc. Provisions\) Order \(Northern Ireland\) 2005 \(S.R. 2005/434\)](#), art. 1(3), [Sch. para. 6\(d\)](#)

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