

*These notes refer to the Welfare Reform and Pensions Act
1999 (c.30) which received Royal Assent on 11 November 1999*

WELFARE REFORM AND PENSIONS ACT 1999

EXPLANATORY NOTES

COMMENTARY

Indexation

Section 39: Public service schemes

This section amends the Pensions (Increase) Act 1971 to provide for pensions derived from pension sharing in public service schemes. The Act provides for the index-linking of “official pensions”, including those of civil servants, teachers, NHS and local authority staff. Other public service pension schemes apply the Act by analogy.

Subsection (2) inserts a new subsection (2A) in section 3 of the Act. This requires the recipient of pension credit benefit payments to have reached age 55 before indexation increases are paid.

Subsection (3) amends section 8(1) of the Act to remove a parenthetical reference to services, since the concept of services is not relevant to pension credit rights.

Subsection (4) amends section 8(2) of the Act. The beginning date for the application of the Act is the date from which the pension is indexed and is normally the day following the last day of service. Pension credit benefit is specifically excluded because a recipient of such benefit will have no last day of service. A new subsection (8)(2A) provides that a pension derived from a pension credit will begin on the day which the pension sharing order takes effect.

Subsection (5) contains changes and additions to some terms used in the Act.