

CHILD SUPPORT, PENSIONS AND SOCIAL SECURITY ACT 2000

EXPLANATORY NOTES

Part II: Pensions

Commentary on Sections

Chapter I: State Pensions

State second pension

Section 35: Supplementary

403. *Subsection (2)* extends to State Second Pension the provision in section 21(5A) of the Contributions and Benefits Act whereby National Insurance contributions paid or treated as paid have effect as if they had been paid on the whole of earnings up to the Upper Earnings Limit.
404. *Subsections (3) and (4)* insert references to the new Schedule 4A in sections 39 and 39C of the Contributions and Benefits Act, which concern the rate of widowed mother's allowance, widow's pension, widowed parent's allowance and bereavement allowance.
405. *Subsections (5), (6) and (8)* clarify the provisions in sections 44(5A) and 45 of the Contributions and Benefits Act on calculating Additional Pension entitlement, where the date of death or reaching state pension age falls on or after 6 April 2000. The calculation is to be based on the "adjusted", that is, revalued, amount of the surplus in the earnings factor. This has an effect on the calculations under new Schedule 4A. (See also the note to subsections (3) and (4) of section 33).
406. *Subsections (9), (10), (11), (12) and (13)* insert references to the new Schedule 4A in sections 48A, 48B, 48BB, 48C and 51 of the Contributions and Benefits Act, which deal with Category B retirement pensions.
407. *Subsection (14)* inserts definitions of "first appointed year" and "second appointed year" in section 122(1) of the Contributions and Benefits Act. State Second Pension is to begin from a date ("the first appointed year") to be appointed by order. The precise date will depend upon the necessary operational systems to deliver State Second Pension being in place. The earliest date for implementation will be April 2002. Additional Pension is accrued up to and including the year before the year in which state pension age is reached. So those reaching state pension age in the year beginning 6 April 2003 will be the first to have accrued any entitlement to State Second Pension.
408. The "second appointed year" will also be appointed by order. This will be the date from which the flat-rate Stage 2 of State Second Pension will be introduced for those with a significant part of their working life ahead of them. It is intended that Stage 2 will not be introduced until stakeholder pension schemes have become established.

*These notes refer to the Child Support, Pensions and Social Security
Act 2000 (c.19) which received Royal Assent on 28th July 2000*

409. *Subsection (15)* provides for the orders appointing the first or second appointed years to be made without being subject to Parliamentary control.