

## SCHEDULES

### SCHEDULE 12

#### STATE PENSION: AMENDMENTS

##### PART 1

###### AMENDMENTS TO DO WITH NEW STATE PENSION SYSTEM

###### *Forfeiture Act 1982 (c. 34)*

- 1 In section 4 of the Forfeiture Act 1982 (Upper Tribunal to decide whether forfeiture rule applies to social security benefits), in the definition of “relevant enactment” in subsection (5), after the entry relating to the Pension Schemes Act 1993 insert—  
“Part 1 of the Pensions Act 2014.”.

###### *Social Security Contributions and Benefits Act 1992 (c. 4)*

- 2 The Contributions and Benefits Act is amended as follows.
- 3 In section 1 (outline of contributory system), in subsection (1)(a), after “this Act” insert “or any other Act”.
- 4 In section 13 (Class 3 contributions), in subsection (2), omit “contribution”.
- 5 After section 19A insert—

###### **“19B Extended meaning of “benefit” etc in Part 1**

In this Part references to “benefit” or “contributory benefit” include benefit under Part 1 of the Pensions Act 2014.”

- 6 (1) Section 22 (earnings factors) is amended as follows.
- (2) In subsection (2)—
- (a) in paragraph (a), omit the final “and”;
  - (b) after paragraph (b) insert “; and
  - (c) establishing entitlement to a state pension under Part 1 of the Pensions Act 2014 and, where relevant, calculating the rate of a state pension under that Part.”
- (3) After subsection (5) insert—
- “(5ZA) Regulations may provide for crediting—
- (a) for 1987-88 or any subsequent tax year, earnings or Class 2 or Class 3 contributions, or
  - (b) for any earlier tax year, contributions of any class,

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for the purpose of bringing an earnings factor for that tax year to a figure which will make that year a “qualifying year”, “pre-commencement qualifying year” or “post-commencement qualifying year” of a person for the purposes of Part 1 of the Pensions Act 2014 (see sections 2(4) and 4(4) of that Act).

(5ZB) Regulations under subsection (5ZA) must provide for crediting a person with such contributions as may be specified in respect of periods on or after 6 April 1975 during which the person was—

- (a) a spouse or civil partner of a member of Her Majesty’s forces,
- (b) accompanying the member on an assignment outside the United Kingdom, and
- (c) not of a description specified in the regulations.”

7 In section 122(1) (interpretation), in the definition of “benefit”, after paragraph (c) insert—

“(For the meaning of “benefit” in Part 1, see also section 19B)”.

*Social Security Administration Act 1992 (c. 5)*

8 The Administration Act is amended as follows.

9 In section 1 (entitlement to benefit dependent on claim), in subsection (4), after paragraph (za) insert—

“(zb) state pension or a lump sum under Part 1 of the Pensions Act 2014;”.

10 In section 5 (regulations about claims for and payments of benefits), in subsection (2), after paragraph (za) insert—

“(zb) state pension or a lump sum under Part 1 of the Pensions Act 2014;”.

11 In section 71 (overpayments - general), in subsection (11), before paragraph (a) insert—

“(za) state pension or a lump sum under Part 1 of the Pensions Act 2014;”.

12 In section 73 (overlapping benefits - general)—

(a) in subsection (1), after “adjusting” insert “state pension under Part 1 of the Pensions Act 2014 or”;

(b) in subsection (4), before paragraph (a) insert—

“(za) state pension under Part 1 of the Pensions Act 2014;”.

13 In section 121DA (interpretation of Part 6), in subsection (1), after paragraph (hk) insert—

“(hl) Part 1 of the Pensions Act 2014;”.

14 In section 122B (supply of other government information for fraud prevention and verification), in subsection (3)(b), after “Part 4 of that Act” insert “, Part 1 of the Pensions Act 2014”.

15 In section 124 (age, death and marriage), in subsection (1), after paragraph (ae) insert—

“(af) of the provisions of Part 1 of the Pensions Act 2014; and”.

16 In section 125 (regulations as to notification of deaths), in subsection (1), after “Part 4 of that Act” insert “, Part 1 of the Pensions Act 2014”.

17 After section 148AB insert—

**“148AC Revaluation for transitional pensions under Pensions Act 2014**

- (1) The Secretary of State must, in each tax year, review the general level of prices in Great Britain and any changes which have taken place during the review period.
- (2) In this section “the review period” means the period since the beginning of 6 April 2016.
- (3) If on a review it appears to the Secretary of State that the general level of prices has increased during the review period, the Secretary of State must make an order specifying the percentage of the increase.
- (4) The percentage specified in the order is the “revaluing percentage” for the purposes of paragraph 6(5) of Schedule 1 to the Pensions Act 2014.
- (5) Subsection (3) does not require the Secretary of State to make an order if it appears to the Secretary of State that the effect of the order on amounts calculated in accordance with paragraph 6 of Schedule 1 to the Pensions Act 2014 would be inconsiderable.
- (6) If on a review the Secretary of State determines that no order under this section is required, the Secretary of State must lay before Parliament a report explaining the reasons for arriving at that determination.
- (7) For the purposes of any review under this section the Secretary of State may estimate the general level of prices in such manner as the Secretary of State thinks fit.”

18 In section 150 (annual up-rating of benefits), in subsection (1), after paragraph (o) insert—

“(p) which are the increases in the rates of state pensions under section 17 of the Pensions Act 2014;”.

19 In section 150A (annual up-rating), in subsection (1), before paragraph (a) insert—

“(za) the amount specified in regulations under section 3(1) of the Pensions Act 2014 (full rate of state pension);”.

20 In section 151 (up-rating: supplementary), in subsection (2)—

- (a) for “(dza) or (e)” substitute “(dza), (e) or (p)”;
- (b) after “order and” insert “—  
(a)”;
- (c) at the end insert “, and  
(b) in the case of the sums mentioned in subsection (1)(p) of that section, shall apply only in relation to sums calculated under section 17 of the Pensions Act 2014 by reference to periods which have ended before the coming into force of the order.”

21 After section 151 insert—

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**“151A Up-rating of transitional state pensions under Pensions Act 2014**

- (1) The Secretary of State must, in each tax year, review the general level of prices in Great Britain and any changes which have taken place.
  - (2) If on a review it appears to the Secretary of State that the general level of prices has increased during the review period, the Secretary of State must make an order specifying a percentage by which the amounts mentioned in the following provisions of the Pensions Act 2014 are to be increased—
    - (a) section 9;
    - (b) paragraph 4(3) of Schedule 2;
    - (c) paragraphs 5(3) and 6 of Schedule 4;
    - (d) paragraphs 5(3) and 6 of Schedule 9.
  - (3) The percentage specified in the order must not be less than the percentage by which the general level of prices has increased during the review period.
  - (4) This section does not require the Secretary of State to make an order if it appears to the Secretary of State that the effect of the order on the amounts referred to in subsection (2) would be inconsiderable.
  - (5) An order under this section must be framed so as to bring the increase in question into force in the week beginning with the first Monday in the tax year following that in which the order is made.
  - (6) The Secretary of State must lay with a draft order under this section a copy of a report by the Government Actuary or the Deputy Government Actuary giving that Actuary’s opinion on the likely effect on the National Insurance Fund.
  - (7) If a draft order under this section is combined with a draft up-rating order under section 150 or 150A, the report required by virtue of subsection (6) may be combined with that required by virtue of section 150(8) or 150A(5).
  - (8) For the purposes of any review under this section the Secretary of State may estimate the general level of prices in such manner as the Secretary of State thinks fit.”
- 22 (1) Section 155A (power to anticipate pensions up-rating order) is amended as follows.
- (2) In subsection (1)(a)—
    - (a) for “150 or 150A” substitute “150, 150A or 151A”;
    - (b) in sub-paragraph (i), after “by way of” insert “state pension under the Pensions Act 2014,”.
  - (3) In subsection (2), after “an award is made of” insert “a state pension,”.
- 23 (1) Section 163 (general financial arrangements) is amended as follows.
- (2) In subsection (1), before paragraph (a) insert—
    - “(za) state pension and lump sums under Part 1 of the Pensions Act 2014;”.
  - (3) In subsection (2)(a), after “Contributions and Benefits Act” insert “, Part 1 of the Pensions Act 2014”.

- (4) In subsection (3)(b), after “that Act” insert “or Part 1 of the Pensions Act 2014”.
- 24 In section 170 (Social Security Advisory Committee), in subsection (5)—
- (a) in the definition of “the relevant enactments”, after paragraph (al) insert—  
“(am) the provisions of Part 1 of the Pensions Act 2014;”;
  - (b) in the definition of “the relevant Northern Ireland enactments”, after paragraph (al) insert—  
“(am) any provisions in Northern Ireland which correspond to the provisions of Part 1 of the Pensions Act 2014;”.
- 25 (1) Section 179 (reciprocal agreements) is amended as follows.
- (2) In subsection (3)(a), after “Part 4 of that Act” insert “, Part 1 of the Pensions Act 2014”.
- (3) In subsection (4), after paragraph (ah) insert—  
“(ai) to Part 1 of the Pensions Act 2014;”.
- (4) In subsection (5)—
- (a) after “Act 2007” insert “or Part 1 of the Pensions Act 2014”;
  - (b) after paragraph (ac) insert—  
“(ad) state pension under Part 1 of the Pensions Act 2014;”.
- 26 In section 187 (inalienability), in subsection (1), after paragraph (za) insert—  
“(zb) state pension under Part 1 of the Pensions Act 2014;”.
- 27 In section 190 (parliamentary control of orders and regulations), in subsection (1)(a) after “150A,” insert “151A,”.
- 28 In section 191 (interpretation), in the definition of “benefit”, after “universal credit,” insert “state pension under Part 1 of the Pensions Act 2014,”.

#### *Social Security Act 1993 (c. 3)*

- 29 In section 2 of the Social Security Act 1993 (payments into National Insurance Fund out of money provided by Parliament), in subsection (4)(a), after “paragraphs” insert “(za),”.

#### *Pensions Act 1995 (c. 26)*

- 30 In Schedule 4 to the Pensions Act 1995 (pensionable age), in paragraph 1, for “and Part 1 of the Welfare Reform Act 2007” substitute “, Part 1 of the Welfare Reform Act 2007 and the Pensions Act 2014”.

#### *Social Security Act 1998 (c. 14)*

- 31 The Social Security Act 1998 is amended as follows.
- 32 In section 2 (use of computers), in subsection (2)—
- (a) in paragraph (k), omit the final “or”;
  - (b) after paragraph (l) insert—  
“(m) Part 1 of the Pensions Act 2014;”.
- 33 In section 8 (decisions by Secretary of State)—

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- (a) in subsection (3), after paragraph (aa) insert—
    - “(ab) state pension or a lump sum under Part 1 of the Pensions Act 2014;”;
  - (b) in subsection (4), for “or Part 4 of that Act” substitute “, Part 4 of that Act or Part 1 of the Pensions Act 2014”.
- 34 In section 11 (regulations with respect to decisions), in subsection (3), in the definition of “the current legislation”, for “and Part 4 of that Act” substitute “, Part 4 of that Act and Part 1 of the Pensions Act 2014”.
- 35 In section 27 (restrictions on entitlement to benefit in certain cases of error), in subsection (7), in the definition of “benefit”, after paragraph (f) insert—  
 “(g) state pension or a lump sum under Part 1 of the Pensions Act 2014.”
- 36 In section 28 (correction of errors in decisions etc), in subsection (3)—
- (a) in paragraph (h), omit the final “or”;
  - (b) after paragraph (i) insert “or
    - (j) Part 1 of the Pensions Act 2014.”
- 37 In Schedule 3 (decisions against which an appeal lies), after paragraph 6B insert—
- “State pension: prisoners and overseas residents*
- 6C A decision that a state pension under Part 1 of the Pensions Act 2014 is not payable by reason of regulations under section 19 of that Act (prisoners).
- 6D A decision that a person is not entitled to increases in the rate of a state pension under Part 1 of the Pensions Act 2014 by reason of regulations under section 20 of that Act (overseas residents).”

*Child Support, Pensions and Social Security Act 2000 (c. 19)*

- 38 (1) Section 42 of the Child Support, Pensions and Social Security Act 2000 (disclosure of state pension information) is amended as follows.
- (2) In subsection (7), after paragraph (a) insert—
- “(aa) the amount of any state pension under Part 1 of the Pensions Act 2014 a present or future entitlement to which has already accrued to that individual;
  - (ab) a projection of the amount of any state pension under Part 1 of the Pensions Act 2014 to which that individual is likely to become entitled, or might become entitled in particular circumstances;”.
- (3) In subsection (11), in the definition of “lump sum”, after “under” insert “section 8 of the Pensions Act 2014 or”.

*Social Security Fraud Act 2001 (c. 11)*

- 39 The Social Security Fraud Act 2001 is amended as follows.
- 40 In section 6A (definitions), in subsection (1)—
- (a) in the definition of “disqualifying benefit”, after paragraph (za) insert—

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- “(zb) state pension or a lump sum under Part 1 of the Pensions Act 2014 or under any provision in Northern Ireland which corresponds to that Part;”;
- (b) in the definition of “sanctionable benefit”, before paragraph (b) insert—
- “(aa) state pension or a lump sum under Part 1 of the Pensions Act 2014;”.
- 41 In section 10 (power to supplement and mitigate loss of benefit provisions), in subsection (3), after paragraph (be) insert—
- “(bf) state pension or a lump sum under Part 1 of the Pensions Act 2014 or under any provision in Northern Ireland which corresponds to that Part;”.

#### *State Pension Credit Act 2002 (c. 16)*

- 42 The State Pension Credit Act 2002 is amended as follows.
- 43 In section 7 (fixing of claimant’s retirement provision for assessed income period), in subsection (6)(a), after “benefit under” insert “Part 1 of the Pensions Act 2014 or”.
- 44 In section 16 (meaning of “retirement pension income”), in subsection (1), before paragraph (a) insert—
- “(za) a state pension under Part 1 of the Pensions Act 2014 or under any provision in Northern Ireland which corresponds to that Part;”.

#### *Income Tax (Earnings and Pensions) Act 2003 (c. 1)*

- 45 In section 577 of the Income Tax (Earnings and Pensions) Act 2003 (United Kingdom social security pensions), in the definition of “state pension” in subsection (2), before paragraph (a) insert—
- “(za) any provision of Part 1 of the Pensions Act 2014 or any corresponding provision under the law of Northern Ireland;”.

#### *Gender Recognition Act 2004 (c. 7)*

- 46 The Gender Recognition Act 2004 is amended as follows.
- 47 In section 23 of that Act (power to modify statutory provisions) “enactment” includes sections 11 and 12 of, and Schedules 6 and 7 to, this Act.
- 48 (1) Schedule 5 (benefits and pensions) is amended as follows.
- (2) After paragraph 6 insert—

##### *“Pension under Part 1 of the Pensions Act 2014*

- 6A (1) Any question—
- (a) whether the person is entitled to a state pension under Part 1 of the Pensions Act 2014 for any period after the certificate is issued, and
- (b) (if so) the rate at which the person is so entitled for the period, is to be decided as if the person’s gender were the acquired gender.
- (2) Accordingly, if (immediately before the certificate is issued) the person—

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- (a) is a woman entitled to a state pension under Part 1 of the Pensions Act 2014, but
  - (b) has not attained the age of 65,
- the person ceases to be so entitled when it is issued.
- (3) And, conversely, if (immediately before the certificate is issued) the person—
- (a) is a man who has attained the age at which a woman of the same age attains pensionable age, but
  - (b) has not attained the age of 65,
- the person is to be treated for the purposes of Part 1 of the Pensions Act 2014 as attaining pensionable age when it is issued.
- (4) But sub-paragraph (1) does not apply if and to the extent that the decision of any question to which it refers is affected by the payment or crediting of contributions, or the crediting of earnings, in respect of a period ending before the certificate is issued.
- (5) If the person’s acquired gender is the male gender, sections 11 and 12 of, and Schedules 6 and 7 to, the Pensions Act 2014 (effect of reduced rate elections) apply in relation to the person as they apply in relation to a woman (but only once the person has reached pensionable age for a man).
- (6) Paragraph 10 makes provision about deferment of state pensions under Part 1 of the Pensions Act 2014.”
- (3) In paragraph 7, in sub-paragraph (1), at the end insert “(but this is subject to sub-paragraph (3))”.
- (4) In paragraph 10, in sub-paragraph (1), before paragraph (a) insert—
- “(za) a state pension under Part 1 of the Pensions Act 2014.”.

*Finance (No. 2) Act 2005 (c. 22)*

- 49 The Finance (No. 2) Act 2005 is amended as follows.
- 50 (1) Section 8 (meaning of “applicable year of assessment” in section 7) is amended as follows.
- (2) In subsection (3), for “subsection (4)” substitute “subsections (4) and (4A)”.
- (3) After subsection (4) insert—
- “(4A) In a case where the social security pension lump sum is a lump sum under section 8 of the Pensions Act 2014 or under any corresponding provision under the law of Northern Ireland, “the first benefit payment day” for the purposes of subsection (2) is the day as from which the lump sum becomes payable.”
- 51 In section 9 (interpretation), in the definition of “state pension lump sum” in subsection (2), before paragraph (a) insert—
- “(za) section 8 of the Pensions Act 2014 or under any corresponding provision under the law of Northern Ireland.”.



*Welfare Reform Act 2012 (c. 5)*

52 In section 96 of the Welfare Reform Act 2012 (benefit cap), in subsection (11), before paragraph (a) insert—

“(za) state pension under Part 1 of the Pensions Act 2014,”.