

1985 No. 1575**PENSIONS****The Pensions Increase (Review) Order 1985**

<i>Made - - - -</i>	11th October 1985
<i>Laid before Parliament</i>	25th October 1985
<i>Coming into Operation</i>	25th November 1985

Whereas by virtue of section 23 of the Social Security Pensions Act 1975(a) a direction has been given(b) under section 124 of the Social Security Act 1975(c) by the Secretary of State for Social Services that the sums mentioned in section 23(1)(b) are to be increased:

Now therefore the Treasury, in exercise of the powers conferred by section 59(1), (2) and (5) of the Social Security Pensions Act 1975(d) and now vested in them(e), and all other powers enabling them in that behalf, hereby make the following Order:—

Citation and commencement

1. This Order may be cited as the Pensions Increase (Review) Order 1985 and shall come into operation on 25th November 1985.

Interpretation

2.—(1) In this Order—

“the 1971 Act” means the Pensions (Increase) Act 1971(f);

“the 1974 Act” means the Pensions (Increase) Act 1974(g);

“the 1975 Act” means the Social Security Pensions Act 1975;

“basic rate” has the meaning given by section 17(1) of the 1971 Act as amended by section 1(3) of the 1974 Act;

“the existing Orders” means the Pensions Increase (Annual Review) Order 1972(h), the Pensions Increase (Annual Review) Order 1973(i), the Pensions

(a) 1975 c. 60.

(b) The direction is contained in S.I. 1985/1245.

(c) 1975 c. 14; section 1 of the Social Security and Housing Benefits Act 1983 (c. 36) made provision for increases to reflect actual, rather than estimated, rises in the general level of prices.

(d) Section 59 was amended and section 59A was added by section 11 of the Social Security Act 1979 (c. 18).

(e) S.I. 1981/1670.

(f) 1971 c. 56.

(g) 1974 c. 9.

(h) S.I. 1972/1298.

(i) S.I. 1973/1370.

Increase (Annual Review) Order 1974(a), the Pensions Increase (Annual Review) Order 1975(b), the Pensions Increase (Annual Review) Order 1976(c), the Pensions Increase (Annual Review) Order 1977(d), the Pensions Increase (Annual Review) Order 1978(e), the Pensions Increase (Review) Order 1979(f), the Pensions Increase (Review) Order 1980(g), the Pensions Increase (Review) Order 1981(h), the Pensions Increase (Review) Order 1982(i), the Pensions Increase (Review) Order 1983(j) and the Pensions Increase (Review) Order 1984(k);

“official pension” has the meaning given by section 5(1) of the 1971 Act;

“pension authority” has the meaning given by section 7(1) of the 1971 Act;

“qualifying condition” means one of the conditions laid down in section 3 of the 1971 Act as amended by section 3(2) and (3) of the 1974 Act;

“widow’s pension” means a pension payable in respect of the services of the pensioner’s deceased husband.

(2) For the purposes of this Order the time when a pension “begins” is that stated in section 8(2) of the 1971 Act, and the “beginning date” shall be construed accordingly.

(3) Where, for the purposes of this Order, it is necessary to calculate the number of complete months in any period an incomplete month shall be treated as a complete month if it consists of at least 16 days.

Pension increases

3. The annual rate of an official pension may, if a qualifying condition is satisfied or the pension is a widow’s pension, be increased by the pension authority in respect of any period beginning on or after 25th November 1985 as follows:—

(1) a pension beginning before 26th November 1984 may be increased by 7 per cent of the basic rate as increased by the amount of any increase under section 1 of the 1971 Act or the existing Orders;

(2) a pension beginning on or after 26th November 1984 and before 25th November 1985 may be increased by 7 per cent multiplied by $\frac{A}{B}$ where

(a) A is the number of complete months in the period between the beginning date of the pension and 25th November 1985, and

(b) B is 12.

Increases in certain lump sums

4. In respect of any lump sum or instalment of a lump sum which became payable before 25th November 1985 but after 25th November 1984 there may be paid an increase of 7 per cent of the amount of the lump sum or instalment

(a) S.I. 1974/1373.

(d) S.I. 1977/1387.

(g) S.I. 1980/1302.

(j) S.I. 1983/1264.

(b) S.I. 1975/1384.

(e) S.I. 1978/1211.

(h) S.I. 1981/1217.

(k) S.I. 1984/1307.

(c) S.I. 1976/1356.

(f) S.I. 1979/1047.

(i) S.I. 1982/1178.

(as increased by the amount under section 1 of the 1971 Act or under the existing Orders) multiplied by $\frac{A}{B}$ where

- (a) A is the number of complete months in the period between the beginning date for the lump sum or, if later, 26th November 1984 and the date on which it became payable; and
- (b) B is 12.

Reductions in respect of guaranteed minimum pensions

5. The amount by reference to which any increase in the rate of an official pension provided for by this Order is to be calculated shall, in the case of a person—

- (a) who is entitled to a guaranteed minimum pension on 25th November 1985, and
- (b) whose entitlement to that guaranteed minimum pension arises from an employment from which (either directly or by virtue of the payment of a transfer credit) entitlement to the official pension also arises,

be reduced by an amount equal to the rate of the guaranteed minimum pension unless the Treasury^(a) shall, in accordance with the provisions of section 59A of the 1975 Act, otherwise direct.

Donald Thompson,
A. G. Hamilton,
Two of the Lords Commissioners
of Her Majesty's Treasury.

11th October 1985.

^(a) See S.I. 1981/1670, articles 2(1)(c) and 3(5).

EXPLANATORY NOTE

(This Note is not part of the Order.)

Under section 59 of the Social Security Pensions Act 1975 as amended by section 11 of the Social Security Act 1979 and as modified by section 59A of the 1975 Act (introduced by section 11(4) of the 1979 Act) the Treasury (in whom the functions conferred by those provisions are now vested) are required to provide by order for the increase in the rates of public service pensions. The increase is the percentage (or in some circumstances a fraction of the percentage) by which the Secretary of State for Social Services has, by directions given under the provisions of section 23 of the Social Security Pensions Act 1975, increased the sums referred to in section 23(1)(b) of the 1975 Act. These are the sums which are the additional components in the rates of long term benefits, namely the additional pension entitlements accruing to employees in respect of their earnings after 5th April 1978.

For pensions which began before 26th November 1984 the increase is 7 per cent. For pensions which began on or after 26th November 1984 the increases are as follows:

Pensions Beginning	Percentage Increase	Pensions Beginning	Percentage Increase
26th November 1984 to 9th December 1984	7.0%	10th May 1985 to 9th June 1985	3.5%
10th December 1984 to 9th January 1985	6.4%	10th June 1985 to 9th July 1985	2.9%
10th January 1985 to 9th February 1985	5.8%	10th July 1985 to 9th August 1985	2.3%
10th February 1985 to 9th March 1985	5.3%	10th August 1985 to 9th September 1985	1.8%
10th March 1985 to 9th April 1985	4.7%	10th September 1985 to 9th October 1985	1.2%
10th April 1985 to 9th May 1985	4.1%	10th October 1985 to 9th November 1985	0.6%

Deferred lump sums beginning on or before 9th November 1985 and which become payable after 24th November 1985 receive the same percentage increase as pensions which began on the same date. Also Article 4 of the Order provides for increases on certain deferred lump sums which became payable after 25th November 1984 and before 25th November 1985.

The Order also makes provision for the amount by reference to which any increase in the rate of an official pension is to be calculated to be reduced by the amount equal to the rate of the guaranteed minimum pension entitlement deriving from the employment which gives rise to the official pension. This is required by section 59(5) of the Social Security Pensions Act 1975 but by virtue of section 59A of that Act and the Transfer of Functions (Minister for the Civil Service and Treasury) Order 1981 the Treasury is empowered to direct that in respect of specified cases or classes of case either no such reduction be made or the reduction shall be less than the rate of the guaranteed minimum pension.

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