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STATUTORY INSTRUMENTS

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**1989 No. 43**

**The Social Security Benefits Up-rating Order 1989**

**PART I**

**INTRODUCTION**

**Citation and commencement**

1.—(1) This Order may be cited as the Social Security Benefits Up-rating Order 1989.

(2) Subject to paragraphs (3) to (6) below, this Order shall come into force for the purposes of articles 1, 2, 18 and 19 on 1st April 1989, for the purposes of article 10 on 2nd April 1989, for the purposes of articles 9 and 12 on 6th April 1989, for the purposes of articles 13 and 14 on 11th April 1989, and for all other purposes on 10th April 1989.

(3) Articles 15, 16 and 17 of this Order shall come into force in relation to any particular beneficiary at the beginning of the first benefit week to commence for that beneficiary on or after 10th April 1989, and for this purpose “benefit week” has the same meaning as in the Income Support Regulations(1).

(4) Article 18 of this Order shall come into force in relation to any case to which paragraph (5) below applies on 1st April 1989, and in any other case on 3rd April 1989.

(5) This paragraph applies in any case where –

(a) rent is payable at intervals of one month or any other interval which is not a week or a multiple thereof; or

(b) payments by way of rates are not made together with payments of rent at weekly intervals or multiples thereof.

(6) The increases made by this Order in the sums specified for rates or amounts of benefit under the 1975 Act or the Pensions Act shall take effect for each case on the date specified in relation to that case in article 5 of the Order.

**Interpretation**

2. In this Order, unless the context otherwise requires –

“the 1975 Act” means the Social Security Act 1975(2);

“the 1986 Act” means the Social Security Act 1986;

“the Pensions Act” means the Social Security Pensions Act 1975(3)

“the Family Credit Regulations” means the Family Credit (General) Regulations 1987(4);

“the Income Support Regulations” means the Income Support (General) Regulations 1987(5);

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(1) See Regulation 2(1) of S.I. 1987/1967, as amended by regulation 2(a) of S.I. 1988/1445.

(2) 1975 c. 14.

(3) 1975 c. 60.

(4) S.I. 1987/1973, the relevant amending instrument is S.I. 1988/660.

(5) S.I. 1987/1967, the relevant amending instruments are S.I. 1988/663, 910, 999, 1228, 1445.

“the Housing Benefit Regulations” means the Housing Benefit (General) Regulations 1987(6); and

“the Community Charge Rebates Regulations” means the Housing Benefit (Community Charge Rebates) (Scotland) Regulations 1988(7)

## PART II

### SOCIAL SECURITY BENEFITS

#### **Alterations in rates or amounts of certain benefits under the 1975 Act**

3.—(1) In this article, “Schedule 4” means Schedule 4 to the 1975 Act(8).

(2) The sums specified in paragraph (3) below shall be increased from and including the respective dates specified in article 5 below; and Schedule 4 shall accordingly have effect as set out in Schedule 1 to this Order.

(3) The sums mentioned in paragraph (2) above are the sums specified in Parts I, III, IV and V of Schedule 4 (contributory periodical benefits, non-contributory periodical benefits, increase of benefits for dependants and rates or amounts of industrial injuries benefits, respectively), except in Part III the sum specified for age addition.

#### **Increase of rates or amounts of certain benefits under the Pensions Act**

4.—(1) The sums specified in paragraphs (2) and (3) below shall be increased from and including the respective dates specified in article 5 below.

(2) In section 6(1)(a) of the Pensions Act (basic pension in a Category A retirement pension) –

(a) so far as the sum is relevant for the purpose of calculating under section 14(6) of the 1975 Act the rate of sickness benefit, for the sum of £39.45 there shall be substituted the sum of £41.80.

(b) except so far as mentioned in sub-paragraph (a) above, for the sum of £41.15 there shall be substituted the sum of £43.60.

(3) It is hereby directed(9) that the sums which are –

(a) the additional pensions in the rates of long-term benefits calculated by reference to any final relevant year earlier than the tax year 1988/89,

(b) the increases in the rates of retirement pensions under Schedule 1 to the Pensions Act (increases of pension where pensioner defers retirement), and

(c) (i) payable by virtue of section 35(6) of the Pensions Act (which provides for increases in a person’s guaranteed minimum pension if payment of his occupational pension is postponed after he attains pensionable age) to a person who is also entitled to a Category A or Category B retirement pension (including sums payable by virtue of section 36(3)); or

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(6) S.I. 1987/1971, the relevant amending instrument is S.I. 1988/1444.

(7) S.I. 1988/1890.

(8) Schedule 4 was amended by section 21(1) and (2) of, and Schedules 4 and 5 to, the Child Benefit Act 1975 (c. 61), section 22(2) of, and paragraphs 62 and 63 of Schedule 4 to, the Social Security Pensions Act 1975, paragraph 13 of Schedule 1 to the Social Security Act 1979 (c. 18) and the Social Security Benefits Up-rating (No. 2) Order 1987 (S.I. 1987/1978).

(9) See section 23(2) and (3) of the Social Security Pensions Act 1975 (c. 60), as amended by the Social Security Act 1986, Schedule 10, paragraph 91.

- (ii) payable to such a person as part of his Category A or Category B retirement pension by virtue of an order made under section 126A of the 1975 Act(10) or section 63 of the 1986 Act,

shall in each case be increased by 5.9 per cent. of their amount apart from this Order.

### **Dates on which sums specified for rates or amounts of benefit under the 1975 Act or the Pensions Act are increased by this Order**

5.—(1) The following provisions of this article specify the date on which the increases made by this Order in the sums specified for rates or amounts of benefit under the 1975 Act or the Pensions Act shall take effect for each case.

(2) In relation to the case of a person over pensionable age who has not retired from regular employment and for whom the rate of unemployment benefit, sickness benefit or invalidity pension falls to be calculated in accordance with section 14(6) or 15(4) of the 1975 Act(11), the increases in the sums mentioned in articles 3, 4 and 7 for Category A and B retirement pension and graduated retirement benefit (together with, where appropriate, increases for dependents) shall take effect on 13th April 1989 and in relation to all other cases the increases in such sums shall take effect on 10th April 1989.

(3) The increase in the sums mentioned in article 4(3)(c) shall take effect on 10th April 1989.

(4) The increases in the sums specified for the rate of maternity allowance, widow's allowance(12), widowed mother's allowance, widow's pension, Category C and D retirement pension, child's special allowance(13), attendance allowance, invalid care allowance (except in a case where the Secretary of State has made arrangements for it to be paid on a Wednesday), guardian's allowance and industrial death benefit by way of widow's and widower's pension and allowance in respect of children (together with, where appropriate, increases for dependants) shall in all cases take effect on 10th April 1989.

(5) The increases in the sums specified for the rate of mobility allowance, invalid care allowance (in a case where the Secretary of State has made arrangements for it to be paid on a Wednesday) (together with, where appropriate, increases for dependants), disablement benefit (together with increases of disablement pension), maximum disablement gratuity under section 57(5) of the 1975 Act(14), increase of unemployability supplement under section 59 of the 1975 Act(15) and maximum, under section 91(1) of the 1975 Act, of the aggregate of weekly benefit payable for successive accidents, shall in all cases take effect from 12th April 1989.

(6) Where a person's weekly rate of Category A or B retirement pension falls to be increased under the provisions of section 28(7) or 29(8) of the 1975 Act(16) by reference to the weekly rate of invalidity allowance to which he was previously entitled, the increase in the sum specified for the appropriate rate of invalidity allowance shall take effect on 10th April 1989 and where it does not fall to be so increased the sum so specified shall take effect on 13th April 1989.

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(10) Section 126A was inserted by section 12 of the Social Security Act 1979 (c. 18) and repealed by the Social Security Act 1986, section 86, Schedule 11.

(11) Section 14(6) is amended by the Social Security Pensions Act 1975 (c. 60), section 65(1), Schedule 4, paragraph 39)) and the Social Security Act 1979 (c. 18), section 21(4), Schedule 3, paragraph 6; and section 15(4) is amended by the Social Security Pensions Act 1975, section 65(1), Schedule 4, paragraph 40(c) and the Social Security Act 1979, section 21(4), Schedule 3, paragraph 7.

(12) Widow's allowance was replaced as from 11th April 1988 by Widow's Payment (section 36(1) and (2) of the Social Security Act 1986 (c. 50)) except in the case of widows whose husbands died before that date (regulation 2 of S.I. 1987/1692).

(13) Child's special allowance was abolished except for existing beneficiaries as from 6th April 1987 (section 40 of the Social Security Act 1986).

(14) Repealed by the Social Security Act 1986 (c. 50), section 86, Schedule 11; but saved in certain circumstances by S.I. 1986/1561, regulation 13.

(15) Repealed, except for existing beneficiaries, by the Social Security Act 1986; see section 39, Schedule 3, paragraph 4.

(16) Section 28(7) is amended by the Social Security (No. 2) Act 1980 (c. 39), section 3(3).

(7) The increases in the sums specified for the rate of unemployment and sickness benefit, invalidity pension and severe disablement allowance (together with, where appropriate, increase for dependants), shall take effect in all cases on 13th April 1989.

### **Increase in rates of certain benefits under the Industrial Injuries and Diseases (Old Cases) Act 1975**

6. In the Industrial Injuries and Diseases (Old Cases) Act 1975(17) the sum of £24.75 referred to in section 2(6)(c) (maximum weekly rate of lesser incapacity allowance supplementing workmen's compensation) and section 7(2)(b) (industrial diseases benefit schemes: weekly rate of allowance payable where disablement is not total) shall be increased; and from and including 12th April 1989 for that sum in section 2(6)(c), and from and including 13th April 1989 for that sum in section 7(2)(b), there shall be substituted the sum of £26.20.

### **Increase in rate of graduate retirement benefit and increments thereof**

7.—(1) In the National Insurance Act 1965(18) the sum of 5.39 pence referred to in section 36(1) (graduated retirement benefit) shall be increased by 5.9 per cent.; and from and including 10th April 1989 the reference in that provision to that sum shall accordingly have effect as a reference to 5.71 pence

(2) It is hereby directed that the sums which are the increases of graduated retirement benefit under Schedule 2 to the Social Security (Graduated Retirement Benefit) (No.2) Regulations 1978(19) (increases for deferred retirement) shall be increased by 5.9 per cent. of their amount apart from this Order.

### **Sum specified for child benefit**

8. In regulation 2 of the Child Benefit and Social Security (Fixing and Adjustment of Rates) Regulations 1976(20) (weekly rates of child benefit) –

(a) in paragraph (1), the sum specified is £7.25; and

(b) in paragraph (2), for the sum of £4.90, there shall be substituted the sum of £5.20.

### **Statutory Sick Pay**

9.—(1) The sums specified in section 7(1) of the Social Security and Housing Benefits Act 1982(21) (relationship between rates of payment of statutory sick pay and employees' normal weekly earnings) shall be increased in accordance with the following provisions of this article.

(2) In section 7(1)(a) for the sums of £49.20 and £79.50 there shall be substituted the sums of £52.10 and £84.00 respectively.

(3) In section 7(1)(b) for the sum of £34.25 there shall be substituted the sum of £36.25.

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(17) 1975 c. 16. Sections 2(6)(c) and 7(2)(b) were amended by the Social Security Benefits Up-rating (No. 2) Order 1987 (S.I. 1987/1978).

(18) 1965 c. 51. Section 36 was repealed by the Social Security Act 1973 (c. 38) but subsection (1) is now continued in force by regulation 3 of the Social Security (Graduated Retirement Benefit) (No. 2) Regulations 1978 (S.I. 1978/393) in the modified form set out in the Schedule to those Regulations as amended by article 6 of the Social Security Benefits Up-rating (No. 2) Order 1987 (S.I. 1987/1978). See also regulation 2 of those Regulations.

(19) S.I. 1978/393.

(20) S.I. 1976/1267; the relevant amending instruments are S.I. 1977/1328, 1980/110, 1985/1243, 1986/1172 and 1987/1978.

(21) 1982 c. 24; section 7(1) was substituted by regulation 2 of the Statutory Sick Pay (Rate of Payment) Regulations 1987 (S.I. 1987/33).

### **Statutory Maternity Pay**

**10.** The sum specified in regulation 6 of the Statutory Maternity Pay (General) Regulations 1986<sup>(22)</sup> (lower rate of statutory maternity pay) shall be increased by the substitution for the sum of £34.25 of the sum of £36.25.

### **Earnings Limits**

**11.—**(1) The sum specified in subsection (1) of section 30 of the 1975 Act (Category A and B retirement pensions where pensioner has earnings) is £75 and the sums specified –

- (a) in paragraph (a) of that subsection, are £4, 5 pence and 10 pence respectively, and
- (b) in paragraph (b) of that subsection, are £4, 5 pence, 10 pence, £4, 5 pence and 5 pence respectively.

(2) The sums specified in section 41(2B) of the 1975 Act<sup>(23)</sup> (earnings limits for child dependency increases) shall be increased from £90, £11 and £90 to £95, £12 and £95 respectively.

### **Statutory Sick Pay transitional provision**

**12.** Where in relation to statutory sick pay a period of entitlement as between an employer and an employee is running at 6th April 1989 and the employee's normal weekly earnings under the contract of service with that employer are not less than, or treated for the purpose of section 7(1) of the Social Security and Housing Benefits Act 1982 as not less than £79.50, they shall be treated as not less than £84.00 for the remainder of that period.

## **PART III**

### **FAMILY CREDIT, INCOME SUPPORT AND HOUSING BENEFIT**

#### **Family Credit**

**13.** In the Family Credit Regulations –

- (a) in regulation 46(4) (determination of appropriate maximum family credit), the sum prescribed is £3,000;
- (b) in regulation 47 (applicable amount for family credit) for the sum of £51.45 there shall be substituted the sum of £54.80; and
- (c) in paragraph 19 of Schedule 2 (sums to be disregarded in calculating income), in subparagraph (b) for the sum of £6.70 there shall be substituted the sum of £7.00.

#### **Sums prescribed for the purpose of Family Credit**

**14.** The sums prescribed in Schedule 4 to the Family Credit Regulations (determination of maximum family credit), shall be increased as from 11th April 1989; and Schedule 4 shall accordingly have effect as set out in Schedule 2 to this Order.

#### **Applicable amounts for Income Support**

**15.—**(1) As from 10th April 1989 the sums relevant to the calculation of an applicable amount as specified in the Income Support Regulations shall be the sums set out in the following provisions

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<sup>(22)</sup> S.I. 1986/1960.

<sup>(23)</sup> Section 41(2B) was inserted by the Health and Social Security Act 1984 (c. 48), section 13, Schedule 5, paragraph 3(c).

of this article and the Schedules thereto; and for this purpose references in this article to a numbered regulation or Schedule are, unless the context otherwise requires, references to the regulations of or Schedules to the Income Support Regulations bearing that number.

(2) In regulations 17(1)(b), 18(1)(c), 21(1) and 71(1)(a)(ii), (b)(ii) and (iii), (c)(ii) and (d)(i), and in paragraph 14(a) of Part III of Schedule 2, paragraph 1(2) of Part I of Schedule 4 and paragraph 1(2) of Part I of Schedule 5, the sum specified is in each case £3,000.

(3) The sums specified in Part I of Schedule 2 (applicable amounts: personal allowances) shall be increased; and accordingly that Part of Schedule 2 shall have effect as set out in Schedule 3 to this Order.

(4) In paragraph 3 of Part II of Schedule 2 (family premium) for the sum of £6.15 there shall be substituted the sum of £6.50.

(5) The sums specified in Part IV of Schedule 2 (weekly amounts of premiums) shall be increased; and accordingly that Part of Schedule 2 shall have effect as set out in Schedule 4 to this Order.

(6) In paragraph 11(1) of Schedule 3 (housing costs: non-dependent deductions) for the sums of £11.20, £8.20, £6.45 and £3.45 there shall be substituted the sums of £12.50, £9.15, £7.20 and £3.85 respectively.

(7) paragraph 11(2) of Schedule 3 for the sum of £49.20 there shall be substituted the sum of £52.10.

(8) In any provision of Schedule 4 (applicable amounts of persons in residential care and nursing homes) shown in column (1) of Part I of Schedule 5 to this Order, for the sum shown against that provision in Column (2) there shall be substituted the increased sum shown against it in column (3).

(9) Except as provided in paragraphs (2) and (8) of this article, the sums specified in Schedule 4 are those set out in Part II of Schedule 5 to this Order.

(10) In any provision of Part I of Schedule 5 (applicable amount of persons in hostels) shown in column (1) of Part I of Schedule 6 to this Order, for the sums shown against that provision in column (2) there shall be substituted the increased sums shown against it in column (3).

(11) Except as provided in paragraph (10) of this article, the sums specified in Part I of Schedule 5 are those set out in Part II of Schedule 6 to this Order.

(12) In any provision of Schedule 7 (applicable amounts in special cases) shown in column (1) of Part I of Schedule 7 to this Order, for the sum shown against that provision in column (2) there shall be substituted the increased sum shown against it in column (3).

(13) Except as provided in paragraph (12) above, the sums specified in Schedule 7 are those set out in Part II of Schedule 7 to this Order.

(14) The sums specified in any provision of the Income Support Regulations set out in column (1) of Schedule 8 to this Order are the sums set out in column (2) of that Schedule.

(15) In paragraph 19 of Schedule 9 (sums to be disregarded in calculating income), in sub-paragraph (b) for the sum of £6.70 there shall be substituted the sum of £7.00.

### **Income Support Transitional Protection**

**16.** Sums which are special transitional additions to income support payable in accordance with regulation 15 of the Income Support (Transitional) Regulations 1987(24) shall be increased by 4.7 per cent. of their amount apart from this Order.

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(24) S.I. 1987/1969; additions to income support may be included in the Order under section 63 of the Social Security Act 1986 by virtue of the modification made by regulation 2 of S.I. 1988/961.

### **The Relevant Sum for Income Support**

17. In section 23(5)(b) of the 1986 Act<sup>(25)</sup> (trade disputes: the relevant sum) the substituted sum is £18.50.

### **Applicable amounts for housing benefit (Housing Costs)**

18.—(1) As from a date determined in accordance with article 1 of this Order, the sums relevant to the calculation of an applicable amount and specified in the Housing Benefit Regulations shall be the sums set out in the following provisions of this article and Schedules 9 and 10 to this Order and for this purpose references in this article to a numbered regulation or Schedule are, unless the context otherwise requires, references to the regulations of and Schedules to the Housing Benefit Regulations bearing that number.

(2) In regulations 16(b) and 17(c) (applicable amounts) the sum specified is in each regulation £3,000.

(3) In regulation 18(1) (patients), for the sum of £8.25 in each place in which it occurs, there shall be substituted the sum of £8.70, and for the sum of £16.50 there shall be substituted the sum of £17.40.

(4) In regulation 63(1) (non-dependant deductions), for the sums of £8.20, £3.00, £3.45 and £3.00 there shall be substituted the sums of £9.15, £3.35, £3.85 and £3.35 respectively.

(5) In regulation 63(2), for the sum of £49.20 there shall be substituted the sum of £52.10.

(6) In paragraph 5(2) of Part II of Schedule 1, for the sums of £6.70, £0.80, £0.50 and £0.80 there shall be substituted the sums of £7.00, £0.85, £0.55 and £0.85 respectively.

(7) The sums specified in Part I of Schedule 2 (applicable amounts: personal allowances) shall be increased; and accordingly that part of Schedule 2 shall have effect as set out in Schedule 9 to this Order.

(8) In paragraph 3 of Part II of Schedule 2, for the sum of £6.15 there shall be substituted the increased sum of £6.50.

(9) The sums specified in Part IV of Schedule 2 (applicable amounts: premiums) shall be increased; and accordingly that Part of Schedule 2 shall have effect as set out in Schedule 10 to this Order.

(10) In paragraph 20 of Schedule 4 (sums to be disregarded in calculation of income), in subparagraph (b) for the sum of £6.70 there shall be substituted the sum of £7.00.

### **Applicable amounts for housing benefit (Community Charge rebates)**

19.—(1) As from 1st April 1989, the sums relevant to the calculation of an applicable amount and specified in the Community Charge Rebates Regulations shall be the sums set out in the following provisions of this article and in Schedules 10 and 11 to this Order; and for this purpose references in this article to a numbered regulation or Schedule are, unless the context otherwise requires, references to the regulations of and Schedules to the Community Charge Rebates Regulations bearing that number.

(2) In regulations 7(1)(b) and 8(c) (applicable amounts) the sum specified is in each regulation £3,000.

(3) In regulation 9(1) (patients), for the sum of £8.25 in each place in which it occurs, there shall be substituted the sum of £8.70, and for the sum of £16.50 there shall be substituted the sum of £17.40.

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<sup>(25)</sup> Stated in accordance with the Social Security Act 1986 (c. 50), section 23(7).

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(4) The sums specified in Part I of Schedule 1 (applicable amounts: personal allowances) shall be increased; and accordingly that Part of Schedule 1 shall have effect as set out in Schedule 11 to this Order.

(5) In paragraph 3 of part II of Schedule 1, for the sum of £6.15 there shall be substituted the increased sum of £6.50.

(6) The sums specified in Part IV of Schedule 1 (applicable amounts: premiums) shall be increased; and accordingly that Part of Schedule 1 shall have effect as set out in Schedule 12 to this Order.

(7) In paragraph 20 of Schedule 3 (sums disregarded in calculation of income other than earnings), for the sum of £6.70 there shall be substituted the increased sum of £7.00.

### **Transitional**

**20.** Nothing in this Order shall affect the rate at which family credit is payable under any award running at 11th April 1989.

## **PART IV REVOCATIONS**

### **Revocations**

**21.** Articles 2 to 10 of and the Schedule to the Social Security Benefits Up-rating (No. 2) Order 1987(**26**) are hereby revoked in relation to any particular case as from the date on which the rates or amounts of benefit specified in relation to any benefit mentioned in Part II of this Order takes effect in relation to that case.

Signed by authority of the Secretary of State for Social Security.

4th January 1989

*Skelmersdale*  
Parliamentary Under-Secretary of State,  
Department of Social Security

We consent,

10th January 1989

*D. Lightbown*  
*David Maclean*  
Two of the Lords Commissioners of Her  
Majesty's Treasury