
EXPLANATORY NOTE

(This note is not part of the Order)

Under section 59 of the Social Security Pensions Act 1975 as amended, and as modified by section 59A of the 1975 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 Security has, by direction given under the provisions of section 23(2) of the Social Security Pensions Act 1975 (as amended by Schedule 10, paragraph 91 of the Social Security Act 1986), increased the sums referred to in section 63(1)(b) of the Social Security Act 1986. These are the sums which are the additional pensions in long term benefits, namely the additional pension entitlements accruing to employees in respect of earnings after 5th April 1978.

For pensions which began before 8th April 1991 the increase is 4.1 per cent. For pensions which began on or after 8th April 1991 the increases are as follows—

<i>Pensions Beginning</i>	<i>Percentage Increase</i>	<i>Pensions Beginning</i>	<i>Percentage Increase</i>
8th April 1991 to 21st April 1991	4.1%	22nd September 1991 to 21st October 1991	2.05%
22nd April 1991 to 21st May 1991	3.76%	22nd October 1991 to 21st November 1991	1.71%
22nd May 1991 to 21st June 1991	3.42%	22nd November 1991 to 21st December 1991	1.37%
22nd June 1991 to 21st July 1991	3.08%	22nd December 1991 to 21st January 1992	1.03%
22nd July 1991 to 21st August 1991	2.73%	22nd January 1992 to 21st February 1992	0.68%
22nd August 1991 to 21st September 1991	2.39%	22nd February 1992 to 21st March 1992	0.34%

Deferred lump sums beginning on or before 21st March 1992 and which become payable after 5th April 1992 receive the same percentage increase as pensions which began on the same date. Article 4 of the Order provides for increases on certain deferred lump sums which became payable on or after 8th April 1991 and before 6th April 1992.

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. Section 59(5ZA) was inserted into section 59 by section 5 of the Pensions