

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make provision relating to changes to the regime for deferring entitlement to state pension made and brought forward by the Pensions Act 2004 (c. 35) which provide, in particular, for an increased incremental rate for those deferring their state pension and for a choice between increments and a lump sum for those who have deferred their entitlement for 12 months or more.

Regulation 2 prescribes the day on which the accrual period for the lump sum is to start.

Regulation 3 prescribes the circumstances in which the amount of retirement pension which the deferrer would have received in an accrual period shall not be included in the calculation of the lump sum. These include receipt of certain benefits or increases in benefits or imprisonment. It also allows for a reduction where those circumstances apply for part only of an accrual period. Regulation 4 amends the Social Security (Widow's Benefit and Retirement Pensions) Regulations 1979 (S.I.1979/642). It does so in consequence of changes to the Social Security Contributions and Benefits Act 1992 (c. 4) made originally by the Pensions Act 1995 (c. 26) and which were due to come into force in 2010 but are now to come into force this year (paragraphs (2), (3)(a) and (4)(a)), to allow for both elections and consents to elections to be treated as not entitled to a retirement pension to be made by telephone (paragraph (3)(b) and (c)) and to make further provision in relation to the calculation of days of increment for those who start deferring their state pension on or after 6th April 2005 (paragraph (4)(b)).

A full Regulatory Impact Assessment has not been produced for this Instrument as it has no impact on the costs of business.

**Changes to legislation:**

There are currently no known outstanding effects for the The Social Security (Deferral of Retirement Pensions) Regulations 2005.