

2018 No. 1359

SOCIAL SECURITY

**The Social Security (Reciprocal Agreement) (Isle of Man)
(Amendment) Order 2018**

Made - - - - *12th December 2018*

Coming into force - - *6th April 2019*

At the Court at Buckingham Palace, the 12th day of December 2018

Present,

The Queen's Most Excellent Majesty in Council

Section 179(1)(a), (2), (3), (4) and (5) of the Social Security Administration Act 1992^(a) provides that for the purpose of giving effect to any agreement with the government of a country outside the United Kingdom providing for reciprocity in matters relating to payments for purposes similar or comparable to the purposes of legislation to which that section applies, Her Majesty may by Order in Council make provision for modifying or adapting the Social Security Administration Act 1992, the Social Security Contributions and Benefits Act 1992^(b) and Part 1 of the Pensions Act 2014^(c), and any regulations made under those Acts or that Part, in their application to cases affected by the agreement.

Accordingly, Her Majesty is pleased by and with the advice of Her Privy Council, in exercise of the powers conferred by section 179(1)(a), (2), (3) and (5) and section 189(4), (5) and (6)^(d) of the Social Security Administration Act 1992, to order as follows.

Citation and commencement

1. This Order may be cited as the Social Security (Reciprocal Agreement) (Isle of Man) (Amendment) Order 2018 and comes into force on 6th April 2019.

Amendments to existing agreement

2. The existing Reciprocal Agreement set out in the Schedule to the Social Security (Reciprocal Agreement) (Isle of Man) Order 2016^(e) is amended in accordance with the provisions set out in the Schedule.

(a) 1992 c. 5. Section 179 was amended by paragraph 25 of Schedule 12 to the Pensions Act 2014 (c. 14). Other amendments to section 179 are not relevant to this Order.
(b) 1992 c. 4.
(c) 2014 c. 19.
(d) Subsections (4), (5) and (6) of section 189 were amended by paragraph 109 of Schedule 7 to the Social Security Act 1998 (c. 14) and S.I. 2013/252.
(e) S.I. 2016/157.

SCHEDULE

Article 2

AMENDMENTS TO THE EXISTING AGREEMENT

1. The Reciprocal Agreement relating to state pension and retirement pension between the Secretary of State for Work and Pensions and the Department for Social Development in Northern Ireland of the one part, and the Minister for the Treasury of the Isle of Man of the other part, as set out in the Schedule to the Social Security (Reciprocal Agreement) (Isle of Man) Order 2016 and the Social Security (Reciprocal Agreement) (Isle of Man) Order (Northern Ireland) 2016(a) is amended as follows.

2. In the heading, for “SOCIAL DEVELOPMENT” substitute “COMMUNITIES”.

3. In Article 1 (interpretation), in paragraph (1), after the definition of “the Isle of Man Contributions and Benefits Act” insert—

“the Isle of Man Pensions Act” means Part 1 of the Pensions Act 2014(b) as it applies in the Isle of Man from time to time by virtue of the Pensions Act 2014 (Application) Order 2018 (S.D. 2018/0076);”.

4. In Article 2 (application of agreement), after “Pensions Acts” insert “or the Isle of Man Pensions Act”.

5. In Article 3, after “on or after 6th April 2016”, insert “but before 6th April 2019”.

6. In Article 4, after “on or after that date” insert “but before 6th April 2019”.

7. After Article 4 insert—

“4A. The 1977 Agreement shall not apply and this Agreement shall apply to a person who reaches pensionable age on or after 6th April 2019 for the purposes of claims for and determining entitlement to a Manx state pension under the Isle of Man Pensions Act.”.

8. For the heading for Article 5 (provisions applying to the United Kingdom) substitute—

“Minimum number of qualifying years and rate of pension payable”.

9. After Article 5 insert—

“5A. Subject to Articles 7 and 8, in the case of a person to whom Article 2 applies—

- (a) for the purpose of determining only whether a person has at least the minimum number of qualifying years for a Manx state pension to be payable under section 2 or 4 of the Isle of Man Pensions Act, any tax year for which that person’s earnings factor is sufficient to satisfy paragraph 5A(2)(b) of Schedule 3 to the Social Security Contributions and Benefits Act 1992(c) or paragraph 5A(2)(b) of Schedule 3 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992 shall be taken into account in the Isle of Man; and
- (b) the rate at which a Manx state pension is payable to a person under section 2 or 4 of the Isle of Man Pensions Act is to be determined by reference only to the number of qualifying years under section 2 or 4 of that Act.”.

(a) S. I. 2016/189.

(b) Part 1 was modified by S.I. 2016/157. Other amendments to Part 1 are not relevant to this Order.

(c) Paragraph 5A was inserted by section 1(3) of the Pensions Act 2007 (c. 22) and modified by S.I. 2016/157.

10. After Article 10 (movement between territories) insert—

“10A. A person to whom this Agreement applies, who is entitled to a Manx state pension under the Isle of Man Pensions Act, shall be entitled to receive any increase in the rate of that pension, while that person is in the territory of the United Kingdom, as if that person were in the territory of the Isle of Man.”.

11. In Articles 13 and 14 (general provisions), for “Social Development” substitute “Communities”.

Given under the Official Seal of the Secretary of State for Work and Pensions this 3rd day of December 2018.

Guy Opperman
Parliamentary Under-Secretary of State
Department for Work and Pensions

Given under the Official Seal of the Department for Communities in Northern Ireland this 3rd day of December 2018.

Anne McCleary
A senior officer of the Department for Communities in Northern Ireland
Department for Communities in Northern Ireland

Given under the hand of the Minister for the Treasury of the Isle of Man this 3rd day of December 2018.

Hon AL Cannan MHK
Minister for the Treasury of the Isle of Man

EXPLANATORY NOTE

(This note is not part of the Order)

The Isle of Man Pensions Act creates a new benefit called Manx state pension to which people in the Isle of Man reaching pensionable age on or after 6th April 2019 may be entitled.

The Social Security (Reciprocal Agreement) (Isle of Man) Order 2016 (S.I. 2016/157) provides for a degree of reciprocity between the United Kingdom and the Isle of Man in regard to state pension matters.

This Order amends the Reciprocal Agreement set out in the Schedule to the Social Security (Reciprocal Agreement) (Isle of Man) Order 2016. The amendments are necessary because the Isle of Man will be introducing Manx state pension from 6th April 2019 and the amendments are required to reflect the change in the law.

An impact assessment has not been produced for this Order as it has no impact on business or civil society organisations.

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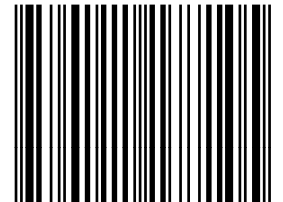
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