# PENSIONS ACT 2014 (APPLICATION) ORDER 2018

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**SCHEDULE**  

**PENSIONS ACT 2014**  

7
The Treasury makes the following Order under section 1 of the Social Security Act 2000 and sections 1 and 2 of the Pension Schemes Act 1995.

1 Title
This Order is the Pensions Act 2014 (Application) Order 2018.

2 Commencement
(1) If approved by Tynwald, this Order comes into operation as follows.
(2) Article 1, this article and articles 3 and 4 come into operation on the day after this Order is approved by Tynwald.
(3) Article 5 comes into operation on 6 April 2019.
(4) The applied legislation comes into operation –
   (a) for the purposes of making regulations only, on the day after this Order is approved by Tynwald;
   (b) for the purposes of sections 1 to 15, 19 to 24 and Schedules 1 to 14 in Part 1 (Manx state pension), on 6 April 2019;
   (c) for the purposes of Part 3 (pensionable age), on the day after this Order is approved by Tynwald;
   (d) for the purposes of Part 5 and Schedule 16 (bereavement support payment), on 6 April 2019 immediately after Part 1 comes into operation; and
   (e) for the purposes of sections 53, 54 and 57 in Part 7 (final provisions), on the day after this Order is approved by Tynwald.

1 Under section 2(1) of the Social Security Act 2000 an order under section 1(1) of that Act shall be laid before Tynwald as soon as may be after it is made and unless it is approved by Tynwald at the sitting at which it is laid or the next following sitting, it ceases to have effect, but without prejudice to anything done under it or the making of a new order. Under section 1(4) of the Pension Schemes Act 1995 an order under section 1(1) or (3) of that Act shall not have effect unless it is approved by Tynwald.
3 Interpretation

(1) In this Order “the applied legislation” means the following provisions of the Pensions Act 2014\(^2\) —

(a) in Part 1 (Manx state pension), sections 1 to 15, 19 to 24 and Schedules 1 to 14;

(b) Part 3 (pensionable age);

(c) Part 5 and Schedule 16 (bereavement support payment); and

(d) in Part 7 (final provisions), sections 53, 54 and 57.

(2) Unless the context otherwise requires —

(a) a reference in the applied legislation to any provision in an instrument of a legislative character which is not itself a provision of the applied legislation shall be construed as if the provision so referred to had been applied to the Island from the date on which that instrument of a legislative character had effect in Great Britain;

(b) a reference in the applied legislation to a provision of any such legislation or of any other legislation applied to the Island by an order under section 1 of the Social Security Act 2000 or section 1 of the Pension Schemes Act 1995 shall be construed as a reference to that legislation as it has effect in the Island.

4 Application to the Island of the Pensions Act 2014

The applied legislation applies to the Island as part of the law of the Island, subject to the exceptions, adaptations and modifications which are shown in the Schedule to this Order.

5 Revocations

(1) The provisions specified in paragraph (2) are revoked and accordingly the amendments made by Schedule 16 to the Pensions Act 2014 (as applied to the Island by the Pensions Act 2014 (Application) Order 2017\(^3\)) to other legislation are also revoked.

(2) Those provisions are —

(a) the Pensions Act 2014 (Application) Order 2017; and

(b) Part 5 of, and Schedule 16 to, the Pensions Act 2014 (as applied to the Island by that Order).

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\(^2\) 2014 c.19.

\(^3\) SD 2017/0077.
MADE 21ST FEBRUARY 2018

A L CANNAN
Minister for the Treasury
SCHEDULE
(Article 4)
This Schedule sets out the text of the Pensions Act 2014 (of Parliament) as applied by this order with such exceptions, adaptations and modifications made where necessary, which appear in bold italic type.

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PENSIONS ACT 2014

2014 CHAPTER 19

Part 1 – Manx state pension

Introduction

1. Manx state pension

(1) This Part creates a benefit called Manx state pension.

(2) A person who reaches pensionable age before 6 April 2019 is not entitled to benefits under this Part (but may be entitled to similar benefits under Part 2 of the Contributions and Benefits Act).

Manx state pension at the full or reduced rate

2. Entitlement to Manx state pension at full or reduced rate

(1) A person is entitled to a Manx state pension payable at the full rate if —

(a) the person has reached pensionable age, and

(b) the person has 35 or more qualifying years.

(2) A person is entitled to a Manx state pension payable at the reduced rate if —

(a) the person has reached pensionable age, and

(b) the person has at least the minimum number of qualifying years but fewer than 35 qualifying years.

(3) The minimum number of qualifying years for a Manx state pension payable at the reduced rate is to be specified in regulations.

(4) In this Part “qualifying year” means a tax year, during a person’s working life, in which the person’s earnings factor (or the sum of the person’s earnings factors) is equal to or greater than the qualifying earnings factor for the year.

(5) For earnings factors, see sections 22 and 23 of the Contributions and Benefits Act.

(6) For transitional cases in which a person may be entitled to a different state pension (instead of a Manx state pension under this section), see sections 4 and 12.

(7) There are provisions elsewhere that affect a person’s entitlement to a Manx state pension under this section or the rate at which it is payable.

3. Full and reduced rates of Manx state pension

(1) The full rate of the Manx state pension is the weekly rate for the time being specified in regulations.

(2) The reduced rate of the Manx state pension for a person is the following proportion of the full rate —

\[ \frac{1}{35} \times \text{the person’s number of qualifying years}. \]

(3) Once the full rate has been specified, the power to make regulations under subsection (1) may not be re-exercised so as to reduce the rate.
4. **Entitlement to Manx state pension at transitional rate**

   (1) A person is entitled to a *Manx* state pension payable at the transitional rate if —

   (a) the person has reached pensionable age,

   (b) the person has at least the minimum number of qualifying years, and

   (c) the person has at least one pre-commencement qualifying year.

   (1A) *Regulations may amend paragraph (a) of subsection (1) so as to provide that a person is entitled to a Manx state pension payable at the transitional rate only if that person has reached pensionable age before a date specified in those Regulations and satisfies the conditions in the other paragraphs of that subsection.*

   (2) The minimum number of qualifying years for a *Manx* state pension payable at the transitional rate is to be specified in regulations and may not be more than 10.

   (2A) *Regulations may amend subsection (2) so as to —

   (a) vary the maximum number of qualifying years for a Manx state pension payable at the transitional rate from that specified in that subsection; and

   (b) make different provision for different cases.*

   (3) A person entitled to a *Manx* state pension payable at the transitional rate is not entitled to a *Manx* state pension under section 2.

   (4) In this Part —

   “post-commencement qualifying year” means a qualifying year beginning on or after 6 April 2019;

   “pre-commencement qualifying year” means —

   (a) a qualifying year beginning on or after 6 April 1978 and ending before 6 April 2019, or

   (b) a reckonable year that would have been treated under regulation 13(1) of the Social Security (Widow’s Benefit, Retirement Pensions and Other Benefits) (Transitional) Regulations 1979\(^4\) as a qualifying year for the purposes of determining the person’s entitlement to an old state pension that is a Category A retirement pension.

   (5) A reckonable year mentioned in paragraph (b) of the definition of “pre-commencement qualifying year” counts towards the minimum number of qualifying years required by subsection (1)(b) (even though it does not come within the definition of “qualifying year” for the purposes of this Part).

   (6) For earnings factors, see sections 22 and 23 of the Contributions and Benefits Act.

   (7) There are provisions elsewhere that affect a person’s entitlement to a *Manx* state pension under this section or the rate at which it is payable.

5. **Transitional rate of Manx state pension**

   (1) The transitional rate of the *Manx* state pension for a person is a weekly rate equal to —

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\(^4\) S.I. 1979/643 (see GC 207/79).
(a) the sum of the amounts calculated under Schedule 1 for the person’s pre-commencement and post-commencement qualifying years capped at the full rate of the Manx state pension on the day on which the person reaches pensionable age, or

(b) if higher, the amount for the person’s pre-commencement qualifying years alone.

(2) The transitional rate of the Manx state pension for a person is to be increased from time to time in accordance with the applicable paragraph of Schedule 2.

(3) Section 6 requires the transitional rate of the Manx state pension for a person to be recalculated in certain circumstances.

(4) There are special rules about the transitional rate for certain women: see section 11 (reduced rate elections).

6. Recalculation and backdating of transitional rate in special cases

(1) This section modifies the transitional rate of the Manx state pension for a person if, after the person has reached pensionable age, a determination is made under section 48A(2) of the Pension Schemes Act 1993 (contracting out: reinstatement in state scheme following payment of contributions equivalent premium).

(2) The person’s transitional rate is to be recalculated (taking the determination into account under paragraph 3(8) of Schedule 1).

(3) The recalculated rate has effect as from the day on which the person reached pensionable age (and the other provisions of this Part apply accordingly).

Transitional entitlement based on contributions of others

7. Survivor’s pension based on inheritance of additional old state pension

(1) A person is entitled to a Manx state pension under this section if —

(a) the person has reached pensionable age,

(b) the person’s spouse died while they were married or the person’s civil partner died while they were civil partners of each other, and

(c) the person is entitled to an inherited amount under Schedule 3.

(1A) Regulations may amend paragraph (a) of subsection (1) so as to provide that a person is entitled to a Manx state pension under this section only if that person has reached pensionable age before a date specified in those Regulations and satisfies the conditions in the other paragraphs of that subsection.

(2) A Manx state pension under this section is payable at a weekly rate equal to the inherited amount.

(3) The rate of the Manx state pension for a person under this section is to be increased from time to time in accordance with the applicable paragraph of Schedule 4.

(4) Regulations may provide that if at any time the sum of the relevant Manx state pensions for a person exceeds an amount provided for by regulations, the rate of any Manx state pension payable to the person under this section is to be reduced by the amount of the excess.

(5) The “sum of the relevant state pensions” for a person is the sum of —

(a) the rate of any Manx state pension payable to the person under this section (ignoring any reduction under subsection (4)), and
(b) the rate of any Manx state pension payable to the person under section 2, 4 or 12.

(6) In subsections (4) and (5) a reference to the rate of a person's Manx state pension is to the rate —

(a) taking into account any reduction under section 14 (in the case of a Manx state pension under section 4),

(b) omitted

(7) There are provisions elsewhere that affect a person’s entitlement to a Manx state pension under this section or the rate at which it is payable.

8. **Choice of lump sum or survivor's pension under section 9 in certain cases**

(1) A person is entitled to a choice under this section if —

(a) the person has reached pensionable age,

(b) the person's spouse died while they were married or the person's civil partner died while they were civil partners of each other,

(c) the spouse or civil partner's entitlement to an old state pension was deferred at the time of death and throughout the period of 12 months ending with the day before the death,

(d) either —

(i) the person was under pensionable age when the spouse or civil partner died and did not marry or form a civil partnership after the death and before reaching pensionable age, or

(ii) the person was over pensionable age when the spouse or civil partner died, and

(e) the person would, on reaching pensionable age or on the death of the spouse or civil partner, have been entitled to an old state pension if in the relevant provisions of the Contributions and Benefits Act —

(i) the words "before 6 April 2019" were omitted, and

(ii) any reference to a bereavement allowance included a reference to bereavement support payment under section 30 of this Act.

(1A) **Regulations may amend paragraph (a) of subsection (1) so as to provide that a person is entitled to a choice under this section only if that person has reached pensionable age before a date specified in those Regulations and satisfies the conditions in the other paragraphs of that subsection.**

(2) The person may choose —

(a) to be paid a lump sum under this section, or

(b) to be paid a Manx state pension under section 9.

(3) Regulations are to set out the manner in which, and the period within which, that choice is to be made.

(4) A person who chooses to be paid a lump sum under this section, or who fails to choose within that period, is entitled to a "widowed person's or surviving civil partner's lump sum" calculated under paragraph 7B of Schedule 5 to the Contributions and Benefits Act.

(5) In that paragraph as it applies for the purposes of this section —
(6) There are provisions elsewhere that affect a person's entitlement to a lump sum under this section.

(7) Regulations may allow a person, in specified circumstances —

(a) to alter his or her choice under this section;

(b) to make a late choice.

(8) Regulations under subsection (7) may, for the purpose of avoiding the duplication of payment —

(a) enable recovery of an amount paid to the person, or

(b) reduce the amount of a lump sum to be paid to the person.

(9) For the purposes of this section —

(a) "deferred" has the meaning given by section 55(3) of the Contributions and Benefits Act,

(b) "the relevant provisions" of the Contributions and Benefits Act are —

section 44(1)(a);

section 48(1);

section 48A(1) and (3);

section 48B(1), (1A), (4) and (4A);

section 48BB(1) and (3), and

(c) in determining whether a person would have been entitled to an old state pension as mentioned in subsection (1)(e) ignore any requirement to make a claim.

(9A) For the purposes of this section, references to Schedule 5 to, and section 55(3) of, the Contributions and Benefits Act are to the entries relating to those provisions in the Schedule to the Social Security Contributions and Benefits Act 1992 (Application) Order 1994 as they stood immediately before their omission by the Social Security Contributions and Benefits Act 1992 (Application) (Amendment) Order 2016 and as if they had not been so omitted.

9. Survivor's pension based on inheritance of deferred old state pension

(1) A person is entitled to a Manx state pension under this section if —

(a) the person has reached pensionable age,

(b) the person's spouse died while they were married or the person's civil partner died while they were civil partners of each other,

(c) either —
(i) the person was under pensionable age when the spouse or civil partner died and did not marry or form a civil partnership after the death and before reaching pensionable age, or

(ii) the person was over pensionable age when the spouse or civil partner died,

(d) the person is entitled to an inherited deferral amount under Schedule 5, and

(e) in the case of a person entitled to a choice under section 8, the person has chosen to be paid a Manx state pension under this section.

(1A) Regulations may amend paragraph (a) of subsection (1) so as to provide that a person is entitled to a Manx state pension under this section only if that person has reached pensionable age before a date specified in those Regulations and satisfies the conditions in the other paragraphs of that subsection.

(2) A Manx state pension under this section is payable at a weekly rate equal to the inherited deferral amount.

(3) But if at any time an order under paragraph 3A of Schedule 4E to the Administration Act comes into force, the rate of the person's Manx state pension under this section is increased (at that time) by the percentage specified in the order.

(4) A person may be entitled to more than one Manx state pension under this section.

(5) There are provisions elsewhere that affect a person's entitlement to a Manx state pension under this section or the rate at which it is payable.

10. Inheritance of graduated retirement benefit

(1) Regulations may make provision corresponding or similar to any provision of sections 7 to 9 and Schedules 3 to 5 for the purpose of conferring benefits on a person whose dead spouse or civil partner paid graduated contributions as an insured person.

(2) The regulations may —

(a) include provision corresponding or similar to any provision that may be made by regulations under section 7 or 8;

(b) amend or otherwise modify this Act or any other enactment (whenever passed or made).

(3) In this section "graduated contributions" and "insured person" have the meanings given by section 35(8) of the National Insurance (Isle of Man) Act 1971.

Transition: women who have had a reduced rate election

11. Reduced rate elections: effect on section 4 pensions

(1) Section 4(1)(b) (minimum number of qualifying years for state pension at the transitional rate) does not apply to a woman if a reduced rate election was in force in respect of her at the beginning of the relevant 35-year period.

(2) Schedule 6 modifies the rules about the transitional rate of the Manx state pension for a woman if a reduced rate election was in force in respect of her at the beginning of the relevant 35-year period.

(3) In this section —

"reduced rate election" means an election made, or treated as having been made, under regulations under section 19(4) of the Contributions and Benefits Act;
"relevant 35-year period" means the 35-year period ending with the tax year before the one in which the woman reached pensionable age.

12. **Reduced rate elections: pension for women with no section 4 pension**

   (1) A woman is entitled to a *Manx* state pension under this section if —
   
   (a) she has reached pensionable age,
   
   (b) a reduced rate election was in force in respect of her at the beginning of the relevant 35-year period,
   
   (c) she does not have any pre-commencement qualifying years, and
   
   (d) she is entitled to a basic amount under Schedule 7.

   (1A) Regulations may amend paragraph (a) of subsection (1) so as to provide that a woman is entitled to a *Manx* state pension under this section only if she has reached pensionable age before a date specified in those Regulations and satisfies the conditions in the other paragraphs of that subsection.

   (2) A *Manx* state pension under this section is payable at a weekly rate equal to the basic amount.

   (3) But if at any time the full rate of the *Manx* state pension is increased, the rate of the woman's *Manx* state pension under this section is increased (at that time) by the same percentage as the increase in the full rate.

   (4) **Omitted.**

   (5) A woman is not entitled to a *Manx* state pension under this section and section 2 at the same time: she is only entitled to the one with the higher rate.

   (6) There are provisions elsewhere that affect a woman's entitlement to a *Manx* state pension under this section or the rate at which it is payable.

   (7) In this section —

   "reduced rate election" means an election made, or treated as having been made, under regulations under section 19(4) of the Contributions and Benefits Act;

   "relevant 35-year period" means the 35-year period ending with the tax year before the one in which the woman reached pensionable age.

**Transition: pension sharing on divorce etc**

13. **Shared *Manx* state pension on divorce etc.**

   (1) A person is entitled to a *Manx* state pension under this section if —

   (a) the person has reached pensionable age, and

   (b) the person is entitled to a state scheme pension credit.

   (2) A *Manx* state pension under this section is payable at the appropriate weekly rate set out in Schedule 8.

   (3) The rate of the *Manx* state pension for a person under this section is to be increased from time to time in accordance with the applicable paragraph of Schedule 9.

   (4) A person may be entitled to more than one *Manx* state pension under this section.
(5) There are provisions elsewhere that affect a person's entitlement to a Manx state pension under this section or the rate at which it is payable.

(6) In this Part —

"state scheme pension credit" means —

(a) a new state scheme pension credit, or
(b) an old state scheme pension credit;

"new state scheme pension credit" means a credit under section 49A(2)(b) of the Welfare Reform and Pensions Act 1999;

"old state scheme pension credit" means a credit under section 49(1)(b) of that Act.

14. Pension sharing: reduction in the sharer's section 4 pension

(1) The rate of a person's Manx state pension under section 4 is reduced under this section if the person is subject to a state scheme pension debit.

(2) The amount by which the rate is reduced is the amount of the appropriate weekly reduction set out in Schedule 10.

(3) A person's Manx state pension may be reduced more than once under this section.

(4) In this Part —

"state scheme pension debit" means —

(a) a new state scheme pension debit, or
(b) an old state scheme pension debit;

"new state scheme pension debit" means a debit under section 49A(2)(a) of the Welfare Reform and Pensions Act 1999;

"old state scheme pension debit" means a debit under section 49(1)(a) of that Act.

15. Pension sharing: amendments

Schedule 11 contains amendments to do with pension sharing.

Postponing or suspending state pension

16. Pensioner’s option to suspend state pension (Omitted)

17. Effect of pensioner postponing or suspending state pension (Omitted)

18. Section 17 supplementary: calculating weeks, overseas residents, etc (Omitted)

Prisoners and overseas residents

19. Prisoners

(1) Regulations may provide that a person is not to be paid a Manx state pension under this Part for any period during which the person is a prisoner.

(2) "Prisoner" means a person (in the Island or elsewhere) who is —

(a) imprisoned or detained in legal custody, or
(b) unlawfully at large.
(3) In the case of a person remanded in custody for an offence, regulations under subsection (1) may be made so as to apply only if a sentence of a specified description is later imposed on the person for the offence.

20. **Overseas residents**

(1) Regulations may provide that an overseas resident who is entitled to a *Manx* state pension under this Part is not entitled to uprating increases.

(2) In this section "overseas resident" means a person who is not ordinarily resident in the *Island* or any other territory specified in the regulations.

(3) Regulations under this section do not affect the rate of an overseas resident's *Manx* state pension for any period during which he or she is in the *Island* or a territory specified in the regulations (but once the overseas resident ceases to be in the *Island* or a specified territory the rate reverts to what it would have been had he or she not been in the *Island* or a specified territory).

(4) Regulations under this section do not affect the rate of a person's *Manx* state pension once the person stops being an overseas resident.

*Definitions*

21. **"Old state pension"**

(1) In this Part "old state pension" means a Category A retirement pension or a Category B retirement pension.

(2) A reference in this Part to the rate of an old state pension (however expressed) does not include —

(a) graduated retirement benefit under the National Insurance (Isle of Man) Act 1971, or

(b) any increase in the rate because of Schedule 5 to the Contributions and Benefits Act (deferral increases).

22. **General definitions etc**

(1) In this Part —

"the Administration Act" means the Social Security Administration Act 1992;

"Category A retirement pension" means a Category A retirement pension under Part 2 of the Contributions and Benefits Act;

"Category B retirement pension" means a Category B retirement pension under Part 2 of the Contributions and Benefits Act;

"the Contributions and Benefits Act" means the Social Security Contributions and Benefits Act 1992;

"enactment" includes an enactment contained in subordinate legislation within the meaning of the Interpretation Act 1978 (of Parliament), an Act of Tynwald and subordinate legislation within the meaning of the Interpretation Act 2015 (of Tynwald);

"full rate" means the rate mentioned in section 3(1);

"old state pension" has the meaning given by section 21 (and references to the rate of an old state pension are to be read in accordance with that section);
"pensionable age" has the meaning given by section 122(1) of the Contributions and Benefits Act; and a person is "over" pensionable age if the person has reached that age (and is otherwise "under" that age);

"post-commencement qualifying year" has the meaning given by section 4(4);

"pre-commencement qualifying year" is to be read in accordance with section 4(4) and (5);

"qualifying earnings factor" has the meaning given by section 122(1) of the Contributions and Benefits Act;

"qualifying year" has the meaning given by section 2(4);

"reduced rate" means the rate mentioned in section 3(2);

"regulations" means regulations made by the Treasury;

"state scheme pension credit", and related expressions, have the meaning given by section 13;

"state scheme pension debit", and related expressions, have the meaning given by section 14;

"tax year" has the meaning given by section 122(1) of the Contributions and Benefits Act;

"transitional rate" means the rate mentioned in section 5;

"uprating increase", in relation to a Manx state pension under this Part, means —

(a) an increase in the rate of the Manx state pension because of an increase in the amount specified in regulations under section 3(1), or

(b) an increase in the rate of the Manx state pension because of section 9(3) or 12(3) [...J or Schedule 2, 4 or 9;

"working life" has the meaning given by section 122(1) of the Contributions and Benefits Act.

(2) For the purposes of any other provision of this Part two people are to be treated as if they are not married to each other in relation to times when either of them is married to a third person.

Consequential and other amendments

23. Amendments

In Schedule 12 —

Part 1 contains amendments to do with Manx state pensions under this Part;

Part 2 contains key amendments to do with the old state pension system;

[...J

Part 4 contains other amendments to do with this Part.

24. Abolition of contracting-out for salary related schemes etc

(1) Schedule 13 contains amendments to abolish contracting-out for salary related schemes.
(2) An employer or, in the case of a public service pension scheme, an administrator may amend an occupational pension scheme in relation to some or all of its members to take account of increases in the employer’s national insurance contributions in respect of some or all of the members to whom the amendments apply because of the repeal of section 41 of the Pension Schemes Act 1993 (by Schedule 13 to this Act).

(3) The power may be used to make amendments that will apply in relation to future members and correspond to the amendments being made in relation to current members.

(4) The power may not be used —

(a) to make amendments that apply to a member who is a protected person in relation to a scheme, or

(b) to amend a public service pension scheme or a scheme of a description specified in regulations under this paragraph.

(4A) Regulations may provide that the power may be used to amend a public service pension scheme of a description specified in those regulations.

(5) Regulations must define what is meant by a protected person in relation to a scheme for the purposes of subsection (4)(a).

(6) Schedule 14 contains more detail about the power.

(6A) Regulations may modify Schedule 14 in relation to a public service pension scheme.

(7) In this section and Schedule 14 —

“administrator”, in relation to a public service pension scheme, has the meaning specified in regulations;

“current member”, in relation to a scheme, means a person who is a member of the scheme at the time that the power is used (and “future member” is to be read accordingly);

“employer”, in relation to a scheme, means the employer of persons in the description of employment to which the scheme relates;

“member” has the meaning given by section 124(1) of the Pensions Act 1995;

“national insurance contributions”, in relation to an employer, means secondary Class 1 national insurance contributions payable by the employer;

“occupational pension scheme” has the meaning given by section 1 of the Pension Schemes Act 1993;

“public service pension scheme” has the meaning given by that section and includes an occupational pension scheme falling within section 1A of that Act.

(7A) Regulations may modify the definition of “employer” in subsection (7) in relation to a public service pension scheme.

(8) Subsections (2) to (7A) and Schedule 14 are repealed at the end of the period of 5 years beginning with 6 April 2019.

(9) The Treasury may by order amend subsection (8) to extend the period for the time being mentioned there.

Part 2 - Option to boost old retirement pensions
25. **Option to boost old retirement pensions** *(Omitted)*

Part 3 - Pensionable age

26. **Increase in pensionable age to 67**

(1) Paragraph 1 of Schedule 4 to the Pensions Act 1995 is amended as follows.

(2) In sub-paragraph (6) for “6th April 1968” substitute “6th April 1960”.

(3) For sub-paragraph (7) and table 3 substitute —

“(7) A person born on any day in a period mentioned in column 1 of table 3 attains pensionable age when the person attains the age shown against that period in column 2.

**TABLE 3**

<table>
<thead>
<tr>
<th>(1) Period within which birthday falls</th>
<th>(2) Age pensionable age attained</th>
</tr>
</thead>
<tbody>
<tr>
<td>6th April 1960 to 5th May 1960</td>
<td>66 years and 1 month</td>
</tr>
<tr>
<td>6th May 1960 to 5th June 1960</td>
<td>66 years and 2 months</td>
</tr>
<tr>
<td>6th June 1960 to 5th July 1960</td>
<td>66 years and 3 months</td>
</tr>
<tr>
<td>6th July 1960 to 5th August 1960</td>
<td>66 years and 4 months</td>
</tr>
<tr>
<td>6th August 1960 to 5th September 1960</td>
<td>66 years and 5 months</td>
</tr>
<tr>
<td>6th September 1960 to 5th October 1960</td>
<td>66 years and 6 months</td>
</tr>
<tr>
<td>6th October 1960 to 5th November 1960</td>
<td>66 years and 7 months</td>
</tr>
<tr>
<td>6th November 1960 to 5th December 1960</td>
<td>66 years and 8 months</td>
</tr>
<tr>
<td>6th December 1960 to 5th January 1961</td>
<td>66 years and 9 months</td>
</tr>
<tr>
<td>6th January 1961 to 5th February 1961</td>
<td>66 years and 10 months</td>
</tr>
<tr>
<td>6th February 1961 to 5th March 1961</td>
<td>66 years and 11 months</td>
</tr>
</tbody>
</table>

(7A) For the purposes of table 3 —

(a) a person born on 31st July 1960 is to be taken to attain the age of 66 years and 4 months at the commencement of 30th November 2026;

(b) a person born on 31st December 1960 is to be taken to attain the age of 66 years and 9 months at the commencement of 30th September 2027;

(c) a person born on 31st January 1961 is to be taken to attain the age of 66 years and 10 months at the commencement of 30th November 2027.”

(4) In sub-paragraph (8) for “5th April 1969” substitute “5th March 1961”.

27. **Periodic review of rules about pensionable age** *(Omitted)*
Part 4 - State pension credit

28. State pension credit: phasing out assessed income periods *(Omitted)*

29. Preserving indefinite status of certain existing assessed income periods *(Omitted)*

Part 5 - Bereavement support payment

30. Bereavement support payment

(1) A person is entitled to a benefit called bereavement support payment if —

(a) the person’s spouse or civil partner dies,

(b) the person is under pensionable age when the spouse or civil partner dies,

(c) the person is ordinarily resident in the Island, or a specified territory, when the spouse or civil partner dies, and

(d) the contribution condition is met (see section 31).

(2) The Treasury must by regulations specify —

(a) the rate of the benefit, and

(b) the period for which it is payable.

(3) The regulations may specify different rates for different periods.

(4) In the case of a person who is pregnant or entitled to child benefit in specified circumstances, the regulations may —

(a) specify a higher rate;

(b) provide for the allowance to be payable for a longer period.

(4A) If a person is not entitled to child benefit for any week in a tax year only because the person’s reckonable income in relation to that week is more than the upper income threshold in relation to that year, the person is to be treated as entitled to child benefit for that week for the purposes of subsection (4).

(4B) Section 147 of the Social Security Contributions and Benefits Act 1992 (interpretation of Part 9 and supplementary provisions) has effect for the purposes of subsection (4A) as it does for the purposes of Part 9 of that Act.

(5) A person is not entitled to bereavement support payment for periods after the person has reached pensionable age.

(6) A person is not entitled to bereavement support payment if the death occurred before this section came fully into force.

(7) In this section —

"pensionable age" has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995;

"specified territory" means a territory specified in regulations made by the Treasury.

31. Bereavement support payment: contribution condition and amendments

(1) For the purposes of section 30(1)(d) the contribution condition is that, for at least one tax year during the deceased’s working life —
(a) he or she actually paid Class 1 or Class 2 national insurance contributions, and
(b) those contributions give rise to an earnings factor (or total earnings factors) equal
to or greater than 25 times the lower earnings limit for the tax year.

(2) For earnings factors, see sections 22 and 23 of the Social Security Contributions and

(3) For the purposes of section 30(1)(d) the contribution condition is to be treated as met if
the deceased was an employed earner and died as a result of —

(a) a personal injury of the kind mentioned in section 94(1) of the Social Security
Contributions and Benefits Act 1992, or
(b) a disease or personal injury of the kind mentioned in section 108(1) of that Act.

(4) In this section the following expressions have the meaning given by section 122(1) of
the Social Security Contributions and Benefits Act 1992 —

"employed earner",
"lower earnings limit",
"tax year", and
"working life".

(5) Schedule 16 contains amendments to do with bereavement support payment.

32. **Bereavement support payment: prisoners**

(1) The *Treasury* may by regulations provide that a person is not to be paid bereavement
support payment for any period during which the person is a prisoner.

(2) "Prisoner" means a person (in the Island or elsewhere) who is —

(a) imprisoned or detained in legal custody, or
(b) unlawfully at large.

(3) In the case of a person remanded in custody for an offence, regulations under subsection
(1) may be made so as to apply only if a sentence of a specified description is later imposed on
the person for the offence.

**Part 6 - Private pensions**

*Transfer of pension benefits*

33. **Automatic transfer of pension benefits etc** (*Omitted*)

34. **Power to prohibit offer of incentives to transfer pension rights** (*Omitted*)

35. **Expiry of power in section 34** (*Omitted*)

36. **Short service benefit for scheme member with money purchase benefits** (*Omitted*)

*Automatic enrolment*

37. **Automatic re-enrolment: exceptions where automatic enrolment deferred** (*Omitted*)

38. **Automatic enrolment: powers to create general exceptions** (*Omitted*)
39. Alternative quality requirements for UK defined benefits schemes *(Omitted)*
40. Automatic enrolment: transitional period for hybrid schemes *(Omitted)*
41. Penalty notices under sections 40 and 41 of the Pensions Act 2008 etc *(Omitted)*
42. Unpaid scheme contributions *(Omitted)*

Other

43. Power to restrict charges or impose requirements in relation to schemes *(Omitted)*
44. Disclosure of information about transaction costs to members etc. *(Omitted)*
45. Power to require pension levies to be paid in respect of past periods *(Omitted)*
46. Prohibition and suspension orders: directors of corporate trustees *(Omitted)*
47. Preparation of guidance for pensions illustrations *(Omitted)*
48. Pensions Regulator’s objectives *(Omitted)*
49. Maximum period between scheme returns to be 5 years for micro schemes *(Omitted)*
50. Pension Protection Fund: increased compensation cap for long service *(Omitted)*
51. Pension Protection Fund: compensation cap to apply separately to certain benefits *(Omitted)*
52. Public service pension schemes: transitional arrangements *(Omitted)*
PART 7

Final Provisions

53. **Power to make consequential amendments etc**

(1) [...] **The Treasury** may by order make consequential, incidental or supplementary provision in connection with any provision made by this Act.

(2) An order under this section may amend, repeal, revoke or otherwise modify any enactment (whenever passed or made).


54. **Regulations and orders**

(1) Regulations and orders under this Act are to be made by statutory document.

(2) to (4) **Omitted.**

(5) A power to make regulations or an order under this Act may be used —

(a) to make different provision for different purposes;

(b) in relation to all or only some of the purposes for which it may be used.

(6) Regulations or orders under this Act may include incidental, supplementary, consequential, transitional, transitory or saving provision.

55. **Extent (Omitted)**

56. **Commencement (Omitted)**

57. **Short title**

This Act may be cited as the Pensions Act 2014.
Schedule 1 - Transitional rate of Manx state pension: calculating the amount

Section 5

Part 1 - Introduction

1. This Schedule sets out how to calculate the amounts used to work out the transitional rate of a person’s Manx state pension.

(2) Part 2 of the Schedule sets out how to calculate the amount for a person’s pre-commencement qualifying years.

(3) Part 3 of the Schedule sets out how to calculate the amount for a person’s post-commencement qualifying years (if any).

Part 2 - Amount for pre-commencement qualifying years

How to calculate the amount for pre-commencement qualifying years

2. A person’s amount for pre-commencement qualifying years is calculated as follows.

Step 1 - calculate the person’s pension under the old system

Calculate the weekly rate based on the old state pension and graduated retirement benefit (see paragraph 3 for more about this).

Step 2 - calculate a pension based on the new system

Calculate the weekly rate based on the new state pension (see paragraph 4 for more about this).

Step 3 - take whichever rate is higher (the foundation amount)

Take whichever of the rates found under Steps 1 and 2 is higher.

Step 4 - revalue to date when the person reached pensionable age

Revalue the amount of that rate in accordance with paragraph 6.

The amount for the person’s pre-commencement qualifying years is the amount as revalued under Step 4.

Step 1: calculation of the person’s pension under the old system

3. For the purposes of Step 1 of the calculation in paragraph 2, the weekly rate based on the old state pension and graduated retirement benefit is —

(a) the rate of any Category A retirement pension and graduated retirement benefit to which the person would have been entitled if the person had reached pensionable age on 6 April 2019, or

(b) the rate of any graduated retirement benefit to which the person would have been entitled under section 35(7) of the National Insurance (Isle of Man) Act 1971 (persons not entitled to retirement pension) if the person had reached pensionable age on that date.

(2) The following rules apply for the purposes of calculating that rate.

(3) Calculate the rate that would have had effect on 6 April 2019 (but see sub-paragraph (6)).

(4) Ignore —

(a) the amendments made by paragraphs 53 and 55 of Schedule 12 (which limit Category A retirement pensions and graduated retirement benefit to people who reach pensionable age before 6 April 2019);
(b) any requirement to make a claim;

(c) any provision suspending payment of, or disqualifying a person from receiving, any amount;

(d) section 45B of the Contributions and Benefits Act (reduction of additional pension because of pension sharing);

(e) section 36 of the National Insurance (Isle of Man) Act 1971 (graduated retirement benefit for widows etc).

(5) Read the reference in section 45(4)(b) of the Contributions and Benefits Act (additional pension) to a person's working life as a reference to the period —

(a) beginning with the tax year in which the person reached 16, and

(b) ending with the tax year before the one in which the person actually reached pensionable age.

(6) If an order under paragraph 1 or 2 of Schedule 4E to the Administration Act (uprating) is made before 6 April 2019 and it provides for an increase to come into force after that date, it is to be treated for the purposes of calculating the rate under this paragraph as having already come into force.

(7) Where regulations under section 22(5ZA) of the Contributions and Benefits Act have the effect that a person is credited, on or after 6 April 2019, with earnings or contributions for a tax year starting before that date, the earnings or contributions are to be treated for the purposes of calculating the rate under this paragraph as having been credited before 6 April 2019.

(8) A determination under section 48A(2) of the Pension Schemes Act 1993 (contracting-out: reinstatement in state scheme following payment of contributions equivalent premium) made on or after 6 April 2019 is to be treated for the purposes of calculating the rate under this paragraph as having been made before 6 April 2019.

Step 2: calculation of a pension based on the new system

4.

(1) For the purposes of Step 2 of the calculation in paragraph 2, the weekly rate based on the new state pension is as follows.

(2) If the person has 35 or more pre-commencement qualifying years, the rate is equal to —

(a) the full rate of the Manx state pension on 6 April 2019, less

(b) any amount to reflect contracting out under the old system (see paragraph 5).

(3) If the person has fewer than 35 pre-commencement qualifying years, the rate is equal to —

(a) the appropriate proportion of the full rate of the Manx state pension on 6 April 2019, less

(b) any amount to reflect contracting out under the old system (see paragraph 5).

(4) The "appropriate proportion", in relation to a person, is —

\[
\frac{1}{35} \times \text{the person’s number of pre-commencement qualifying years.}
\]

5.

(1) In paragraph 4(2) and (3) references to an "amount to reflect contracting out under the old system" are to an amount equal to any difference between —

(a) the amount of any additional pension included in the Category A retirement pension calculated for the purposes of Step 1 of the calculation in paragraph 2, and

(b) the amount of any additional pension that would have been included if —

(i) sections 46 and 48A of the Pension Schemes Act 1993 were ignored, and
(ii) for the purposes of calculating the amounts referred to in section 45(2)(c) and (d) of the Contributions and Benefits Act any earnings paid to or for the benefit of the person in respect of contracted-out employment were treated as if they were not in respect of contracted-out employment.

(2) "Contracted-out employment" means employment qualifying a person for a pension provided by a salary related contracted-out scheme, a money purchase contracted-out scheme or an appropriate personal pension scheme (and expressions used in this definition have the same meaning as in the Pension Schemes Act 1993).

Step 4: revaluation

6.

(1) This paragraph determines how the amount mentioned in Step 4 of the calculation in paragraph 2 is to be revalued for the purposes of that Step.

(2) If the amount is equal to or less than the full rate of the Manx state pension on 6 April 2019, the amount is to be revalued in accordance with increases in the full rate of the Manx state pension (see sub-paragraph (4)).

(3) If the amount is greater than the full rate of the Manx state pension on 6 April 2019 —

(a) so much of the amount as is equal to the full rate of the Manx state pension on 6 April 2019 is to be revalued in accordance with increases in the full rate of the Manx state pension (see sub-paragraph (4)), and

(b) so much of the amount as exceeds the full rate of the Manx state pension on that date is to be revalued in accordance with increases in the general level of prices (see sub-paragraph (5)).

(4) For the purposes of sub-paragraphs (2) and (3)(a), an amount is revalued in accordance with increases in the full rate of the Manx state pension by increasing it by the same percentage as any increase in the full rate of the Manx state pension in the period —

(a) beginning with 6 April 2019, and

(b) ending with the day on which the person reached pensionable age.

(5) For the purposes of sub-paragraph (3)(b), an amount is revalued in accordance with increases in the general level of prices by adding —

(a) the amount, and

(b) the amount multiplied by the revaluing percentage specified in the last order under section 148AC(3) of the Administration Act to come into force before the person reached pensionable age.

Part 3 - Amount for post-commencement qualifying years

7.

(1) A person's amount for post-commencement qualifying years (if any) is calculated as follows.

(2) If the person has 35 or more post-commencement qualifying years, the amount is equal to the full rate of the Manx state pension on the day on which the person reached pensionable age.

(3) If the person has fewer than 35 post-commencement qualifying years, the amount is equal to the following proportion of the full rate of the Manx state pension on the day on which the person reached pensionable age —

\[
\frac{1}{35} \times \text{the person’s number of pre-commencement qualifying years.}
\]

Schedule 2 - Transitional rate of Manx state pension: uprating
Section 5

1. This Schedule sets out how to uprate the transitional rate of a person's Manx state pension.

2. In this Schedule a reference to the transitional rate of a person's Manx state pension is to the rate [...], taking into account any reduction under section 14 [...].

3.

(1) The transitional rate of a person's Manx state pension is to be increased under this paragraph if it is equal to or less than the full rate.

(2) If at any time the full rate of the Manx state pension is increased, the person's transitional rate is increased (at that time) by the same percentage as the increase in the full rate.

4.

(1) The transitional rate of a person's Manx state pension is to be increased under this paragraph if it exceeds the full rate.

(2) If at any time the full rate of the Manx state pension is increased, the person's transitional rate is increased (at that time) by the same amount as the amount by which the full rate is increased.

(3) If at any time an order under paragraph 3A of Schedule 4E to the Administration Act comes into force, the person's transitional rate is increased (at that time) by an amount equal to the appropriate percentage of the excess.

(4) In sub-paragraph (3) —

"the appropriate percentage" means the percentage specified in the order, and

"the excess" means the amount by which the transitional rate exceeded the full rate immediately before the order came into force.

Schedule 3 - Survivor's pension under section 7: inherited amount

Section 7

Introduction

1. This Schedule —

(a) sets out the circumstances in which a person (the "pensioner") is entitled to an inherited amount for the purpose of section 7, and

(b) determines that amount.

Dead spouse or civil partner in old state pension system etc

2.

(1) A pensioner whose spouse or civil partner has died is entitled to an inherited amount under this paragraph if —

(a) the marriage took place or the civil partnership was formed before 6 April 2019,

(b) the spouse or civil partner died before 6 April 2019,

(c) the pensioner was under pensionable age when the spouse or civil partner died, and

(d) the pensioner would, on reaching pensionable age, have been entitled to a Category B retirement pension under section 48B(4) or (4A) or 48BB of the Contributions and Benefits Act if the words "before 6 April 2019" were omitted.
(2) The inherited amount is equal to the weekly rate at which that Category B retirement pension would have been payable on the day on which the pensioner reached pensionable age if any element of the rate attributable to the basic pension were ignored.

3.

(1) A pensioner whose spouse or civil partner has died is entitled to an inherited amount under this paragraph if —
   (a) the marriage took place or the civil partnership was formed before 6 April 2019,
   (b) the spouse or civil partner reached pensionable age before 6 April 2019 but died on or after that date,
   (c) the pensioner was under pensionable age when the spouse or civil partner died, and
   (d) the pensioner would, on reaching pensionable age, have been entitled to a Category B retirement pension under section 48BB of the Contributions and Benefits Act if in subsection (3) of that section:
      (i) the words "before 6 April 2019" were omitted, and
      (ii) the reference to a bereavement allowance were a reference to bereavement support payment under section 30 of this Act.

(2) The inherited amount is equal to the weekly rate at which that Category B retirement pension would have been payable on the day on which the pensioner reached pensionable age if section 48BB(8) and (9) of the Contributions and Benefits Act were ignored.

4.

(1) A pensioner whose spouse or civil partner has died is entitled to an inherited amount under this paragraph if —
   (a) the marriage took place or the civil partnership was formed before 6 April 2019,
   (b) the pensioner was over pensionable age when the spouse or civil partner died,
   (c) the spouse or civil partner was, immediately before his or her death, entitled to a Manx state pension payable at the transitional rate, and
   (d) that transitional rate exceeded the full rate of the Manx state pension.

(2) The inherited amount is equal to the weekly rate at which that Category B retirement pension would have been payable on the day on which the spouse or civil partner died if any element of the rate attributable to the basic pension were ignored.

5.

(1) A pensioner whose spouse or civil partner has died is entitled to an inherited amount under this paragraph if —
   (a) the marriage took place or the civil partnership was formed before 6 April 2019,
   (b) the pensioner was over pensionable age when the spouse or civil partner died,
   (c) the spouse or civil partner was, immediately before his or her death, entitled to a Manx state pension payable at the transitional rate, and
   (d) that transitional rate exceeded the full rate of the Manx state pension.
(2) The inherited amount is half of the amount by which the transitional rate of the *Manx* state pension for the spouse or civil partner exceeded the full rate of the *Manx* state pension immediately before the death.

6.

(1) A pensioner whose spouse or civil partner has died is entitled to an inherited amount under this paragraph if —

(a) the marriage took place or the civil partnership was formed before 6 April 2019,

(b) the pensioner was under pensionable age when the spouse or civil partner died,

(c) the spouse or civil partner was, immediately before his or her death, entitled to a *Manx* state pension payable at the transitional rate,

(d) that transitional rate exceeded the full rate of the *Manx* state pension, and

(e) the pensioner did not marry or form a civil partnership after the death and before reaching pensionable age.

(2) The inherited amount is half of the amount by which the transitional rate of the *Manx* state pension for the spouse or civil partner would have exceeded the full rate of the *Manx* state pension if he or she had been alive on the day on which the pensioner reached pensionable age.

7.

(1) A pensioner whose spouse or civil partner has died is entitled to an inherited amount under this paragraph if —

(a) the marriage took place or the civil partnership was formed before 6 April 2019,

(b) the pensioner was over pensionable age when the spouse or civil partner died,

(c) the spouse or civil partner was under pensionable age when he or she died but would have been entitled to a *Manx* state pension payable at the transitional rate if he or she had reached pensionable age on the day of the death, and

(d) that transitional rate would have exceeded the full rate of the *Manx* state pension.

(2) The inherited amount is half of the amount by which the transitional rate of the *Manx* state pension for the spouse or civil partner would have exceeded the full rate of the *Manx* state pension if he or she had reached pensionable age on the day of the death.

8.

(1) A pensioner whose spouse or civil partner has died is entitled to an inherited amount under this paragraph if —

(a) the marriage took place or the civil partnership was formed before 6 April 2019,

(b) the pensioner was under pensionable age when the spouse or civil partner died,

(c) the spouse or civil partner died on or after 6 April 2019,

(d) the spouse or civil partner was under pensionable age when he or she died,

(e) the spouse or civil partner would have been entitled to a *Manx* state pension payable at the transitional rate if he or she had reached pensionable age on the same day as the pensioner,

(f) that transitional rate would have exceeded the full rate of the *Manx* state pension, and

(g) the pensioner did not marry or form a civil partnership after the death and before reaching pensionable age.

(2) The inherited amount is half of the amount by which the transitional rate of the *Manx* state pension for the spouse or civil partner would have exceeded the full rate of the *Manx* state pension if he or she had reached pensionable age on the same day as the pensioner.
Supplementary

9. When determining entitlement to, or calculating, an inherited amount under this Schedule based on entitlement to an old state pension or a *Manx* state pension under this Part of this Act ignore —

   (a) any requirement to make a claim for that pension;

   (b) any provision suspending payment of, or disqualifying a person from receiving, any amount of that pension.

Schedule 4 - Survivor’s pension under section 7: uprating

Section 7

Introduction

1. This Schedule sets out how to uprate the rate of a person’s *Manx* state pension under section 7.

2. In this Schedule a reference to the rate of a person’s *Manx* state pension is to the rate —

   (a) ignoring any reduction under section 7(4) (in the case of a *Manx* state pension under section 7), and

   (b) taking into account any reduction under section 14 (in the case of a *Manx* state pension under section 4).

   (c) omitted

3. In this Schedule a reference to “the amount of any *Manx* state pension that has priority” means the rate of any *Manx* state pension to which the person is entitled under section 2, 4 or 12.

Rate of section 7 pension, when added to any priority pension, is less than the full rate

4. (1) The rate of the person’s state pension under section 7 is to be increased under this paragraph if, when added to the amount of any *Manx* state pension that has priority, it is equal to or less than the full rate of the *Manx* state pension.

   (2) If at any time the full rate is increased, the rate of the person’s *Manx* state pension under section 7 is increased (at that time) by the same percentage as the increase in the full rate.

Rate of section 7 pension, when added to any priority pension, straddles the full rate

5. (1) The rate of the person’s *Manx* state pension under section 7 is to be increased under this paragraph if —

   (a) the amount of any *Manx* state pension that has priority is less than the full rate of the *Manx* state pension, but

   (b) the rate of the *Manx* state pension under section 7, when added to the amount of any *Manx* state pension that has priority, exceeds the full rate.

   (2) If at any time the full rate of the *Manx* state pension is increased, the rate of the person’s *Manx* state pension under section 7 is increased (at that time) by an amount equal to the appropriate percentage of the shortfall immediately before that time.

   (3) If at any time an order under paragraph 3A of Schedule 4E to the Administration Act comes into force, the rate of the person’s *Manx* state pension under section 7 is increased (at that time) by an amount equal to the appropriate percentage of the excess immediately before the order comes into force.
(4) In this paragraph—

"the appropriate percentage"—

(a) in sub-paragraph (2), means the percentage by which the full rate is increased;

(b) in sub-paragraph (3), means the percentage specified in the order;

"the excess" means the amount by which the rate of the Manx state pension under section 7, when added to the amount of any Manx state pension that has priority, exceeds the full rate;

"the shortfall" means the amount by which the amount of any Manx state pension that has priority is less than the full rate.

Priority pension alone is equal to or higher than the full rate

6.

(1) The rate of the person's Manx state pension under section 7 is to be increased under this paragraph if the amount of any Manx state pension that has priority is equal to or higher than the full rate of the Manx state pension.

(2) If at any time an order under paragraph 3A of Schedule 4E to the Administration Act comes into force, the rate of the person's Manx state pension under section 7 is increased (at that time) by the percentage specified in the order.

Schedule 5 - Survivor's pension under section 9: inherited deferral amount

Section 9

Introduction

1. This Schedule—

(a) sets out the circumstances in which a person (the "pensioner") is entitled to an inherited deferral amount for the purpose of section 9, and

(b) determines that amount.

Dead spouse or civil partner entitled to old state pension with deferral increase

2.

(1) A pensioner whose spouse or civil partner has died is entitled to an inherited deferral amount under this paragraph if—

(a) the spouse or civil partner was entitled to an old state pension with an increase under paragraph 1 or 2A of Schedule 5 to the Contributions and Benefits Act, and

(b) the pensioner would, on reaching pensionable age or on the death of the spouse or civil partner, have been entitled to an old state pension if in the relevant provisions of the Contributions and Benefits Act—

(i) the words "before 6 April 2019" were omitted, and

(ii) any reference to a bereavement allowance included a reference to bereavement support payment under section 30 of this Act.

(2) The inherited deferral amount is equal to the amount by which the weekly rate of the old state pension for the pensioner would have been increased under paragraph 4 of Schedule 5 to the Contributions and Benefits Act on the day on which the pensioner became entitled to the inherited deferral amount.
(3) For the purposes of calculating the amount of that increase, paragraph 4(1A) of Schedule 5 to the Contributions and Benefits Act has effect as if after the words "apart from" (in each place) there were inserted "this paragraph and".

Dead spouse or civil partner's entitlement to old state pension deferred at time of death

3.

(1) A pensioner whose spouse or civil partner has died is entitled to an inherited deferral amount under this paragraph if —

(a) the spouse or civil partner's entitlement to an old state pension was deferred when he or she died, and

(b) the pensioner would, on reaching pensionable age or on the death of the spouse or civil partner, have been entitled to an old state pension if in the relevant provisions of the Contributions and Benefits Act:

(i) the words "before 6 April 2019" were omitted, and

(ii) any reference to a bereavement allowance included a reference to bereavement support payment under section 30 of this Act.

(2) The inherited deferral amount is equal to the amount by which the weekly rate of the old state pension for the pensioner would have been increased under paragraph 4 of Schedule 5 to the Contributions and Benefits Act on the day on which the pensioner became entitled to the inherited deferral amount.

(3) For the purposes of calculating the amount of that increase —

(a) a pensioner who is not entitled to a choice under section 8 is to be treated as having met the condition in paragraph 4(1)(c) of Schedule 5 to the Contributions and Benefits Act,

(b) a pensioner who has chosen under section 8 to be paid a Manx state pension under section 9 is to be treated as having met the condition in paragraph 4(1)(b) of Schedule 5 to the Contributions and Benefits Act, and

(c) paragraph 4(1A) of Schedule 5 to the Contributions and Benefits Act has effect as if after the words "apart from" (in each place) there were inserted "this paragraph and".

(4) In this paragraph "deferred" has the meaning given by section 55(3) of the Contributions and Benefits Act.

3A. For the purposes of paragraphs 2 and 3, references to Schedule 5 to, and section 55(3) of, the Contributions and Benefits Act are to the entries relating to those provisions in the Schedule to the Social Security Contributions and Benefits Act 1992 (Application) Order 1994 as they stood immediately before their omission by the Social Security Contributions and Benefits Act 1992 (Application) (Amendment) Order 2016 and as if they had not been so omitted.

"The relevant provisions" of the Contributions and Benefits Act

4. For the purposes of this Schedule "the relevant provisions" of the Contributions and Benefits Act are those mentioned in section 8(9)(b).

Supplementary

5. When determining entitlement to, or calculating, an inherited deferral amount under this Schedule based on entitlement to an old state pension ignore —

(a) any requirement to make a claim for that pension;

(b) any provision suspending payment of, or disqualifying a person from receiving, any amount of that pension.
Schedule 6 - Reduced rate elections: effect on rate of section 4 pension

Section 11

Introduction

1. This Schedule modifies the rules about the transitional rate of the Manx state pension for a woman if a reduced rate election was in force in respect of her at the beginning of the relevant 35-year period (and expressions used in this paragraph have the same meaning as in section 11).

Increased transitional rate for woman married to person over pensionable age etc

2. (1) This paragraph applies to the woman if on reaching pensionable age —
   (a) she is married to a person who has reached pensionable age, or
   (b) she is in a civil partnership with a person who has reached that age.

   (2) The transitional rate of the Manx state pension for the woman is —
      (a) the rate determined for her under section 5, or
      (b) if higher, a weekly rate equal to the modified amount for her pre-commencement qualifying years alone.

   (3) The modified amount for the woman's pre-commencement qualifying years alone is the amount that would be calculated under Schedule 1 for her pre-commencement qualifying years alone if the basic pension in any Category A retirement pension calculated for her for the purposes of paragraph 3 of that Schedule were equal to the basic Category B amount.

   (4) "The basic Category B amount" is the amount specified in paragraph 5 of Part 1 of Schedule 4 to the Contributions and Benefits Act on 6 April 2019.

   (5) To find out what happens if the marriage or civil partnership comes to an end, see paragraph 4.

Increased transitional rate for widows or divorcees etc

3. (1) This paragraph applies to the woman if on reaching pensionable age she is not married or in a civil partnership but she has been married or in a civil partnership before.

   (2) The transitional rate of the Manx state pension for the woman is —
      (a) the rate determined for her under section 5, or
      (b) if higher, a weekly rate equal to the modified amount for her pre-commencement qualifying years alone.

   (3) The modified amount for the woman's pre-commencement qualifying years alone is the amount that would be calculated under Schedule 1 for her pre-commencement qualifying years alone if the basic pension in any Category A retirement pension calculated for her for the purposes of paragraph 3 of that Schedule were equal to the full amount of the basic pension.

   (4) "The full amount of the basic pension" is the amount of the basic pension specified in section 44(4) of the Contributions and Benefits Act on 6 April 2019.

Recalculation of transitional rate where circumstances change

4. If the woman is married or in a civil partnership on reaching pensionable age but the marriage or civil partnership comes to an end (because of the death of her spouse or civil partner or otherwise) —
(a) her transitional rate is to be recalculated applying paragraph 3(2), and
(b) Schedule 2 (uprating) applies as if the recalculated rate had been the woman's transitional rate on the day on which she reached pensionable age.

5.

(1) If neither of paragraphs 2 and 3 apply to the woman but she subsequently comes within paragraph (a) or (b) of paragraph 2(1) —
   (a) her transitional rate is to be recalculated applying paragraph 2(2), and
   (b) Schedule 2 (uprating) applies as if the recalculated rate had been the woman's transitional rate on the day on which she reached pensionable age.

(2) But the woman's rate is not to be recalculated under sub-paragraph (1) if it has already been recalculated under paragraph 4.

6. Nothing in paragraph 4 or 5 affects —
   (a) the amount of Manx state pension to which a woman is entitled for periods before that paragraph applies to her.
   (b) omitted

Schedule 7 - Reduced rate elections: basic amount of Manx state pension under section 12

Section 12

1. This Schedule —
   (a) sets out the circumstances in which a woman is entitled to a basic amount for the purpose of section 12, and
   (b) determines that basic amount.

2.

(1) A woman is entitled to a basic amount under this paragraph if she has reached pensionable age and —
   (a) she is married to a person who has reached pensionable age, or
   (b) she is in a civil partnership with a person who has reached that age.

(2) The basic amount is the amount specified in paragraph 5 of Part 1 of Schedule 4 to the Contributions and Benefits Act on the day on which the woman became entitled under this paragraph.

3.

(1) A woman is entitled to a basic amount under this paragraph if —
   (a) on reaching pensionable age she is not married or in a civil partnership but she has been married or in a civil partnership before, or
   (b) on reaching pensionable age she was married or in a civil partnership and the marriage or civil partnership has come to an end (because of the death of her spouse or civil partner or otherwise).

(2) The basic amount is the amount of the basic pension specified in section 44(4) of the Contributions and Benefits Act on the day on which the woman became entitled under this paragraph.

4. A woman who is entitled to a basic amount under paragraph 3 is not entitled to a basic amount under paragraph 2.
Schedule 8 - Pension sharing: appropriate weekly rate under section 13

Section 13

Introduction

1. This Schedule sets out the appropriate weekly rate of a person's Manx state pension under section 13.

Appropriate weekly rate for pensioner with old state scheme pension credit

2.

(1) This paragraph sets out the appropriate weekly rate if the person is entitled to a Manx state pension under section 13 because of an old state scheme pension credit.

(2) If the person became entitled to the old state scheme pension credit in or after the final relevant year, the appropriate weekly rate is a weekly rate equal to the person's notional rate.

(3) If the person became entitled to the old state scheme pension credit before the final relevant year, the appropriate weekly rate is a weekly rate equal to the person's notional rate multiplied by the appropriate revaluation percentage.

(4) For the purposes of sub-paragraphs (2) and (3), a person’s “notional rate” is the weekly rate of a notional pension under section 13 the cash equivalent of which would, on the valuation day, have been equal to the amount of the old state scheme pension credit.

(5) For the purposes of sub-paragraph (4) assume that the notional pension becomes payable on the later of —

(a) the day on which the person reaches pensionable age, and
(b) the valuation day.

(6) The "appropriate revaluation percentage" is the percentage specified, in relation to earnings factors for the tax year in which the person became entitled to the old state scheme pension credit, by the last order under section 148 of the Social Security Administration Act 1992 as it has effect in Great Britain to come into force before the end of the final relevant year.

(7) In this paragraph —

"final relevant year" means the tax year immediately before that in which the person reaches pensionable age;

"valuation day" means the day on which the person became entitled to the old state scheme pension credit.

Appropriate weekly rate for pensioner with new state scheme pension credit

3.

(1) This paragraph sets out the appropriate weekly rate if the person is entitled to a Manx state pension under section 13 because of a new state scheme pension credit.

(2) If the person was over pensionable age when he or she became entitled to the new state scheme pension credit, the appropriate weekly rate is a weekly rate equal to the amount of the credit.

(3) If the person was under pensionable age when he or she became entitled to the new state scheme pension credit, the appropriate weekly rate is a weekly rate equal to the amount of the credit multiplied by the appropriate revaluation percentage.

(4) The "appropriate revaluation percentage" is the percentage specified, in relation to the tax year in which the person became entitled to the new state scheme pension credit, by the last order under section 148AD of the Administration Act to come into force before the person reached pensionable age.
4. **Supplementary**

(1) Regulations may make provision about the calculation and verification of notional rates under paragraph 2.

(2) The regulations may, in particular, provide —

(a) for calculation or verification in such manner as may be approved by or on behalf of the Government Actuary, or

(b) for things done under the regulations to be required to be done in accordance with guidance from time to time prepared by a person specified in the regulations.

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**Schedule 9 - Pension sharing: uprating Manx state pension under section 13**

**Section 13**

1. This Schedule sets out how to uprate the rate of a person's Manx state pension under section 13.

2. In this Schedule a reference to the rate of a person's Manx state pension is to the rate —

(a) ignoring any reduction under section 7(4) (in the case of a Manx state pension under section 7),

(b) taking into account any reduction under section 14 (in the case of a Manx state pension under section 4),

(c) omitted

3. **Rate of section 13 pension, when added to any priority pension, is less than the full rate**

(1) The rate of the person's Manx state pension under section 13 is to be increased under this paragraph if, when added to the total amount of any Manx state pension that has priority, it is equal to or less than the full rate of the Manx state pension.

(2) If at any time the full rate is increased, the rate of the person's Manx state pension under section 13 is increased (at that time) by the same percentage as the increase in the full rate.

**Rate of section 13 pension, when added to any priority pension, straddles the full rate**

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(1) The rate of the person’s *Manx* state pension under section 13 is to be increased under this paragraph if —

(a) the total amount of any *Manx* state pension that has priority is less than the full rate of the *Manx* state pension, but

(b) the rate of the *Manx* state pension under section 13, when added to the total amount of any *Manx* state pension that has priority, exceeds the full rate.

(2) If at any time the full rate of the *Manx* state pension is increased, the rate of the person’s *Manx* state pension under section 13 is increased (at that time) by an amount equal to the appropriate percentage of the shortfall immediately before that time.

(3) If at any time an order under paragraph 3A of Schedule 4E to the Administration Act comes into force, the rate of the person’s *Manx* state pension under section 13 is increased (at that time) by an amount equal to the appropriate percentage of the excess immediately before the order comes into force.

(4) In this paragraph —

“the appropriate percentage” —

(a) in sub-paragraph (2), means the percentage by which the full rate is increased;

(b) in sub-paragraph (3), means the percentage specified in the order;

“the excess” means the amount by which the rate of the *Manx* state pension under section 13, when added to the total amount of any *Manx* state pension that has priority, exceeds the full rate;

“the shortfall” means the amount by which the total amount of any *Manx* state pension that has priority is less than the full rate.

Priority pension alone is equal to or higher than the full rate

6.

(1) The rate of the person’s *Manx* state pension under section 13 is to be increased under this paragraph if the total amount of any *Manx* state pension that has priority is equal to or higher than the full rate of the *Manx* state pension.

(2) If at any time an order under paragraph 3A of Schedule 4E to the Administration Act comes into force, the rate of the person’s *Manx* state pension under section 13 is increased (at that time) by the percentage specified in the order.

Schedule 10 - Pension sharing: appropriate weekly reduction under section 14

Section 14

*Introduction*

1. This Schedule sets out the appropriate weekly reduction in the rate of a person’s *Manx* state pension for the purposes of section 14.

*Appropriate weekly reduction for person subject to old state scheme pension debit*

2.

(1) This paragraph sets out the appropriate weekly reduction if the person is subject to an old state scheme pension debit.

(2) If the person became subject to the old state scheme pension debit in or after the final relevant year, the appropriate weekly reduction is an amount equal to the person’s notional rate.
(3) If the person became subject to the old state scheme pension debit before the final relevant year, the appropriate weekly reduction is an amount equal to the person's notional rate multiplied by the appropriate revaluation percentage.

(4) For the purposes of sub-paragraphs (2) and (3), a person's "notional rate" is the weekly rate of a notional pension under section 4 the cash equivalent of which would, on the valuation day, have been equal to the amount of the old state scheme pension debit.

(5) For the purposes of sub-paragraph (4) assume that the notional pension becomes payable on the later of —

(a) the day on which the person reaches pensionable age, and
(b) the valuation day.

(6) The "appropriate revaluation percentage" is the percentage specified, in relation to earnings factors for the tax year in which the person became subject to the old state scheme pension debit, by the last order under section 148 of the Social Security Administration Act 1992 as it has effect in Great Britain to come into force before the end of the final relevant year.

(7) In this paragraph —

"final relevant year" means the tax year immediately before that in which the person reaches pensionable age;
"valuation day" means the day on which the person became subject to the old state scheme pension debit.

Appropriate weekly reduction for person subject to new state scheme pension debit

3.

(1) This paragraph sets out the appropriate weekly reduction if the person is subject to a new state scheme pension debit.

(2) If the person was over pensionable age when he or she became subject to the new state scheme pension debit, the appropriate weekly reduction is an amount equal to the amount of the debit.

(3) If the person was under pensionable age when he or she became subject to the new state scheme pension debit, the appropriate weekly reduction is an amount equal to the amount of the debit multiplied by the appropriate revaluation percentage.

(4) The "appropriate revaluation percentage" is the percentage specified, in relation to the tax year in which the person became subject to the new state scheme pension debit, by the last order under section 148AD of the Administration Act to come into force before the person reached pensionable age.

Supplementary

4.

(1) Regulations may make provision about the calculation and verification of notional rates under paragraph 2.

(2) The regulations may, in particular, provide —

(a) for calculation or verification in such manner as may be approved by or on behalf of the Government Actuary, or

(b) for things done under the regulations to be required to be done in accordance with guidance from time to time prepared by a person specified in the regulations.

Schedule 11 - Pension sharing: amendments
1. **Omitted.**

2. **Social Security Contributions and Benefits Act 1992 (c. 4)**
   
   3. In section 21 (contribution conditions), in subsection (1), after "section 55A" insert "55AA".
   
   4. In section 43 (persons entitled to more than one retirement pension), in subsection (6), after "section 55A" insert "55AA".

5. (1) Section 55A (shared additional pension) is amended as follows.
   
   (2) For subsection (1) substitute —
   
   "(1) A person is entitled to a shared additional pension under this section if —
   
   (a) the person attained pensionable age before 6 April 2019, and
   
   (b) the person is entitled to an old state scheme pension credit."

   (3) In subsections (2) and (3), after "shared additional pension" insert "under this section".

   (4) In subsections (3), (4), (5) and (7) before "state scheme pension credit" (in each place) insert "old".

   (5) At the end of the heading insert "because of an old state scheme pension credit".

6. After section 55A insert —

   "55AA. Shared additional pension because of a new state scheme pension credit
   
   (1) A person is entitled to a shared additional pension under this section if —
   
   (a) the person reached pensionable age before 6 April 2019, and
   
   (b) the person is entitled to a new state scheme pension credit.
   
   (2) A person's entitlement to a shared additional pension under this section continues throughout his or her life.
   
   (3) The weekly rate of a shared additional pension under this section is equal to the amount of the new state scheme pension credit.
   
   (4) In this section "new state scheme pension credit" means a credit under section 49A(2)(b) of the Welfare Reform and Pensions Act 1999."
(1) The Department must, in each tax year, review the general level of prices in Great Britain and any changes which have taken place.

(2) The Department must make an order under this section if on a review it appears to the Department that, having regard to earlier orders under this section, relevant debits or credits have not, during the review period, maintained their value in relation to the general level of prices.

(3) An order under this section is an order directing that, for the purposes of paragraph 3 of each of Schedules 8 and 10 to the Pensions Act 2014, the amount of the relevant debits or credits are to be increased by such percentage of their amount, apart from earlier orders under this section, as the Department thinks necessary to make up the fall in their value during the review period together with other falls in their value which had been made up by earlier orders under this section.

(4) This section does not require the Department to direct an increase if it appears to the Department that the increase would be inconsiderable.

(5) Omitted.

(6) For the purposes of any review under this section the Department may estimate the general level of prices in Great Britain in such manner as the Department thinks fit.

(7) In this section “relevant debits or credits” means—

(a) a debit under section 49A(2)(a) of the Welfare Reform and Pensions Act 1999 to which a person became subject before the tax year to which the review relates, or

(b) a credit under section 49A(2)(b) of the Welfare Reform and Pensions Act 1999 to which a person became entitled before the tax year to which the review relates.”

Welfare Reform and Pensions Act 1999 (c. 30)


10. (1) Section 47 (shareable state scheme rights) is amended as follows.

(2) After subsection (1) insert—

"(1A) For the purposes of this Chapter, a person's shareable state scheme rights are —

(a) the person's shareable old state scheme rights;

(b) the person's shareable new state scheme rights.”

(3) In subsection (2) —

(a) after "shareable" insert "old";

(b) in paragraph (b), after "55A" insert "or 55AA".

(4) After subsection (2) insert—

"(3) For the purposes of this Chapter, a person's shareable new state scheme rights are the person's entitlement, or prospective entitlement, to the excess amount in a Manx state pension under section 4 of the Pensions Act 2014.

(4) "The excess amount", in relation to a Manx state pension under section 4 of the Pensions Act 2014, means any amount by which the rate of the pension exceeds the full rate of the Manx state pension (see section 3 of that Act).

(5) In determining the rate of a Manx state pension under section 4 of the Pensions Act 2014 for the purposes of this Chapter, ignore Schedule 6 to that Act (reduced rate elections: effect on rate of section 4 pension).”

11. In section 48 (activation of benefit sharing), in subsection (1), for the words from the beginning to “shareable state scheme rights” substitute “Section 49 or 49A applies where any of the following has taken effect in relation to a person’s shareable state scheme rights”.

Welfare Reform and Pensions Act 1999 (c. 30)
12. Section 49 (creation of state scheme pension debits and credits) is amended as follows.

(1) For subsection (1) substitute —

"(A1) This section applies if —

(a) the transferor is in the old state pension system, or
(b) the transferor is in the new state pension system but the transfer day was before 6 April 2019.

(1) Where this section applies because of a relevant order or provision —

(a) the transferor is subject, for the purposes of the relevant state pension legislation, to a debit of the appropriate amount, and
(b) the transferee is entitled, for the purposes of the relevant state pension legislation, to a credit of that amount."

(2) After subsection (5) insert —

"(5A) The fact that a person who reaches pensionable age on or after 6 April 2019 is not entitled to a pension of the kind mentioned in section 47(2)(a) or (b) does not affect the calculation under this section of the appropriate amount by reference to the transferor's prospective entitlement, immediately before the transfer day, to a pension of that kind."

(3) In subsection (2), after "shareable" insert "old".

(4) In subsection (3)(b), for "relevant" substitute "shareable old".

(5) In subsection (6), at the appropriate place insert —

"the relevant state pension legislation" —

(a) in relation to a transferor or transferee in the old state pension system, means Part 2 of the Contributions and Benefits Act, and
(b) in relation to a transferor or transferee in the new state pension system, means Part 1 of the Pensions Act 2014;"

(6) At the end of the heading insert ": transferor in old state pension system or pension sharing activated before 6 April 2019".

13. After section 49 insert —

"49A. Creation of debits and credits: transferor in new state pension system and sharing activated on or after 6 April 2019

(1) This section applies if —

(a) the transferor is in the new state pension system, and
(b) the transfer day is 6 April 2019 or any later date.

(2) Where this section applies because of a relevant order or provision —

(a) the transferor is subject, for the purposes of section 14 of the Pensions Act 2014, to a debit of the shared weekly amount, and
(b) the transferee is entitled, for the purposes of the relevant state pension legislation, to a credit of the shared weekly amount.

(3) The shared weekly amount is the specified percentage of the excess amount of the transferor's Manx state pension under section 4 of the Pensions Act 2014 as at the transfer day.

(4) For the purposes of calculating the shared weekly amount —
(a) a transferor who is under pensionable age on the transfer day is to be treated as having reached pensionable age and to have become entitled to the Manx state pension under section 4 of the Pensions Act 2014 on the transfer day;

(b) a transferor who has reached pensionable age on the transfer day but who has not yet become entitled to the Manx state pension under section 4 of the Pensions Act 2014 is to be treated as having become entitled to the pension on that day.

(5) In this section —

"the excess amount" has the meaning given by section 47(4);

"relevant order or provision" means the order or provision by virtue of which this section applies (see section 48);

"the relevant state pension legislation" —

(a) in relation to a transferee in the old state pension system, means Part 2 of the Contributions and Benefits Act, and

(b) in relation to a transferee in the new state pension system, means Part 1 of the Pensions Act 2014;

"specified percentage" means the percentage specified in the relevant order or provision for the purposes of subsection (3);

"transfer day" means the day on which the relevant order or provision takes effect;

"transferor" means the person to whose rights the relevant order or provision relates;

"transferee" means the person for whose benefit the relevant order or provision is made."

14. (1) Section 51 (interpretation) is amended as follows.

(2) The current text becomes subsection (1).

(3) In that subsection for the definition of "shareable state scheme rights" substitute —

"shareable state scheme rights", and related expressions, have the meaning given by section 47;".

(4) After that subsection insert —

"(2) For the purposes of this Chapter —

(a) a person is in the old state pension system if the person reached pensionable age before 6 April 2019 (or would have done so if the person had lived until pensionable age), and

(b) a person is in the new state pension system if the person reached pensionable age on or after 6 April 2019 (or will do so if the person lives until pensionable age)."

State Pension Credit Act 2002 (c. 16)

15. Omitted.

Gender Recognition Act 2004 (c. 7)

16. In Schedule 5 to the Gender Recognition Act 2004 (benefits and pensions), in paragraph 9(1)(a) and (3), after "section 55A" insert "or 55AA".
Schedule 12 - State pension: amendments

Part 1 - Amendments to do with new state pension system

Forfeiture Act 1982 (c. 34)

1. Omitted.

Social Security Contributions and Benefits Act 1992 (c. 4)

2. The Contributions and Benefits Act is amended as follows.

3. In section 1 (outline of contributory system), in subsection (1)(a), after "this Act" insert "or any other Act".

4. In section 13 (Class 3 contributions), in subsection (2), omit "contribution".

5. After section 19A insert —

"19B. Extended meaning of "benefit" etc in Part 1

In this Part references to "benefit" or "contributory benefit" include benefit under Part 1 of the Pensions Act 2014."

6. (1) Section 22 (earnings factors) is amended as follows.

(2) In subsection (2) —

(a) in paragraph (a), omit the final "and";

(b) after paragraph (b) insert "; and

(c) establishing entitlement to a Manx state pension under Part 1 of the Pensions Act 2014 and, where relevant, calculating the rate of a Manx state pension under that Part".

(3) After subsection (5) insert —

"(5ZA) Regulations may provide for crediting —

(a) for 1987-88 or any subsequent tax year, earnings or Class 2 or Class 3 contributions, or

(b) for any earlier tax year, contributions of any class,

for the purpose of bringing an earnings factor for that tax year to a figure which will make that year a "qualifying year", "pre-commencement qualifying year" or "post-commencement qualifying year" of a person for the purposes of Part 1 of the Pensions Act 2014 (see sections 2(4) and 4(4) of that Act).

(5ZB) Regulations under subsection (5ZA) must provide for crediting a person with such contributions as may be specified in respect of periods on or after 6 April 1975 during which the person was —

(a) a spouse or civil partner of a member of Her Majesty's forces,

(b) accompanying the member on an assignment outside the United Kingdom, and

(c) not of a description specified in the regulations."

7. In section 122(1) (interpretation), in the definition of "benefit", after paragraph (c) insert —

"(For the meaning of "benefit" in Part 1, see also section 19B)."."
8. The Administration Act is amended as follows.

9. In section 1 (entitlement to benefit dependent on claim), in subsection (4), before paragraph (a) insert —

"(zb) Manx state pension [...] under Part 1 of the Pensions Act 2014;".

10. In section 5 (regulations about claims for and payments of benefits), in subsection (2), before paragraph (a) insert —

"(zb) Manx state pension [...] under Part 1 of the Pensions Act 2014;".

11. In section 71 (overpayments - general), in subsection (11), before paragraph (a) insert —

"(za) Manx state pension [...] under Part 1 of the Pensions Act 2014;".

12. In section 73 (overlapping benefits - general) —

(a) in subsection (1), after "adjusting" insert "Manx state pension under Part 1 of the Pensions Act 2014 or";

(b) in subsection (4), before paragraph (a) insert —

"(za) Manx state pension under Part 1 of the Pensions Act 2014;".


15. Omitted.

16. In section 125 (regulations as to notification of deaths), in subsection (1), after "[...] 1998 [...] insert ", Part 1 of the Pensions Act 2014".

17. After section 148AA insert —


(1) The Department must, in each tax year, review the general level of prices in Great Britain and any changes which have taken place during the review period.

(2) In this section “the review period” means the period since the beginning of 6 April 2019.

(3) If on a review it appears to the Department that the general level of prices has increased during the review period, the Department must make an order specifying the percentage of the increase.

(4) The percentage specified in the order is the “revaluing percentage” for the purposes of paragraph 6(5) of Schedule 1 to the Pensions Act 2014.

(5) Subsection (3) does not require the Department to make an order if it appears to the Department that the effect of the order on amounts calculated in accordance with paragraph 6 of Schedule 1 to the Pensions Act 2014 would be inconsiderable.

(6) Omitted.

(7) For the purposes of any review under this section the Department may estimate the general level of prices in Great Britain in such manner as the Department thinks fit.”

18. Omitted.

19. In Schedule 4E (review and alteration of benefits), in paragraph 2 (annual uprating of basic pension etc.), in sub-paragraph (1), before paragraph (a) insert —
"(za) the amount specified in regulations under section 3(1) of the Pensions Act 2014 (full rate of Manx state pension)."

20. **Omitted.**

21. **In Schedule 4E, after paragraph 3 insert —**

"3A. **Uprating of transitional state pensions under Pensions Act 2014**

(1) The **Department** must, in each tax year, review the general level of prices in Great Britain and any changes which have taken place.

(2) If on a review it appears to the **Department** that the general level of prices has increased during the review period, the **Department** must make an order specifying a percentage by which the amounts mentioned in the following provision of the Pensions Act 2014 are to be increased—

(a) section 9 (survivor’s pension based on inheritance of deferred old state pension);

(b) paragraph 4(3) of Schedule 2 (transitional rate of Manx State pension exceeds the full rate);

(c) paragraph 5(3) (rate of section 7 pension, when added to any priority pension, straddles the full rate) and 6 (priority pension alone is equal to or higher than the full rate) of Schedule 4;

(d) paragraph 5(3) (rate of section 13 pension, when added to any priority pension, straddles the full rate) and 6 (priority pension alone is equal to or higher than the full rate) of Schedule 9

(3) The percentage specified in the order must not be less than the percentage by which the general level of prices has increased during the review period.

(4) This section does not require the **Department** to make an order if it appears to the **Department** that the effect of the order on the amounts referred to in subsection (2) would be inconsiderable.

(5) An order under this section must be framed so as to bring the increase in question into force in the week beginning with the first Monday in the tax year following that in which the order is made.

(6) and (7) **Omitted.**

(8) For the purposes of any review under this section the **Department** may estimate the general level of prices **in Great Britain** in such manner as the **Department** thinks fit."

22. **Omitted.**

23.

(1) Section 163 (general financial arrangements) is amended as follows.

(2) In subsection (1), before paragraph (a) insert —

"(za) **Manx** state pension and lump sums under Part 1 of the Pensions Act 2014;".

(3) In subsection (2)(a), after "Contributions and Benefits Act” insert “, Part 1 of the Pensions Act 2014”.

(4) In subsection (3)[...], after "[...] Act” insert "or Part 1 of the Pensions Act 2014”.

24. **Omitted.**

25.
(1) Section 179 (reciprocal agreements) is amended as follows.

(2) In subsection (3)(a), after "1998" insert ", Part 1 of the Pensions Act 2014".

(3) In subsection (4), after paragraph (ab) insert —

“(ai) to Part 1 of the Pensions Act 2014;”.

(4) In subsection (5) —

(a) after “Benefits Act” insert “or Part 1 of the Pensions Act 2014”;

(b) after paragraph (aa) insert —

“(ad) Manx state pension under Part 1 of the Pensions Act 2014;”.

26. In section 187 (inalienability), in subsection (1), immediately before paragraph (a) insert —

"(z) Manx state pension under Part 1 of the Pensions Act 2014;".

27. Omitted.

28. In section 191 (interpretation), in the definition of "benefit", after "incudes a," insert "Manx state pension under Part 1 of the Pensions Act 2014,".

29. Omitted.

30. In Schedule 4 to the Pensions Act 1995 (pensionable age), in paragraph 1, for "and the Pension Schemes Act 1993" substitute ", the Pension Schemes Act 1993 and the Pensions Act 2014".

31. The Social Security Act 1998 is amended as follows.

32. Omitted.

33. In section 8 (decisions by an adjudication officer) —

(a) in subsection (3), after paragraph (a) insert —

"(ab) Manx state pension or a lump sum under Part 1 of the Pensions Act 2014;”;

(b) in subsection (4), after "Jobseekers Act" insert "[...], Part 1 of the Pensions Act 2014”.

34. In section 11 (regulations with respect to decisions), in subsection (3), in the definition of "the current legislation", after "Act 1997" insert ", [....], Part 1 of the Pensions Act 2014”.

35. In section 27 (restrictions on entitlement to benefit in certain cases of error), in subsection (7), in the definition of "benefit", after paragraph (f) insert —

"(g) Manx state pension or a lump sum under Part 1 of the Pensions Act 2014.”

36. In section 28 (correction of errors in decisions etc), in subsection (3) —

(a) in paragraph (d), omit the final "or";

(b) after paragraph (e) insert "or

(j) Part 1 of the Pensions Act 2014;”

37. In Schedule 3 (decisions against which an appeal lies), after paragraph 6 insert —
"Manx state pension: prisoners and overseas residents"

6C. A decision that a Manx state pension under Part 1 of the Pensions Act 2014 is not payable by reason of regulations under section 19 of that Act (prisoners).

6D. A decision that a person is not entitled to increases in the rate of a Manx state pension under Part 1 of the Pensions Act 2014 by reason of regulations under section 20 of that Act (overseas residents)."

Child Support, Pensions and Social Security Act 2000 (c. 19)

38. (1) Section 42 of the Child Support, Pensions and Social Security Act 2000 (disclosure of state pension information) is amended as follows.

(2) In subsection (7), after paragraph (a) insert —

"(aa) the amount of any Manx state pension under Part 1 of the Pensions Act 2014 a present or future entitlement to which has already accrued to that individual;

(ab) projection of the amount of any Manx state pension under Part 1 of the Pensions Act 2014 to which that individual is likely to become entitled, or might become entitled in particular circumstances;".

39. The Social Security Fraud Act 2001 is amended as follows.

40. In section 6A (definitions), in subsection (1) —

(a) in the definition of "disqualifying benefit", immediately before paragraph (a) insert —

"(zb) Manx state pension or a lump sum under Part 1 of the Pensions Act 2014 [...];"

(b) in the definition of "sanctionable benefit", before paragraph (b) insert —

"(aa) Manx state pension or a lump sum under Part 1 of the Pensions Act 2014;".

41. In section 10 (power to supplement and mitigate loss of benefit provisions), in subsection (3), after paragraph (ba) insert —

"(bf) Manx state pension or a lump sum under Part 1 of the Pensions Act 2014 [...];".

State Pension Credit Act 2002 (c.16)

42. to 45. Omitted.

Gender Recognition Act 2009 (AT 11 of 2009)

46. The Gender Recognition Act 2009 is amended as follows.

47. In section 13 of that Act (power to modify statutory provisions) "statutory provision" includes sections 11 and 12 of, and Schedules 6 and 7 to, this Act.

Gender Recognition Act 2004 (c. 7)

(1) Schedule 5 (benefits and pensions) is amended as follows.

(2) After paragraph 6 insert —

"Pension under Part 1 of the Pensions Act 2014

6A.

(1) Any question —

(a) whether the person is entitled to a Manx state pension under Part 1 of the Pensions Act 2014 for any period after the certificate is issued, and

(b) (if so) the rate at which the person is so entitled for the period, is to be decided as if the person's gender were the acquired gender.

(2) Omitted.

(3) Omitted.

(4) But sub-paragraph (1) does not apply if and to the extent that the decision of any question to which it refers is affected by the payment or crediting of contributions, or the crediting of earnings, in respect of a period ending before the certificate is issued.

(5) If the person's acquired gender is the male gender, sections 11 and 12 of, and Schedules 6 and 7 to, the Pensions Act 2014 (effect of reduced rate elections) apply in relation to the person as they apply in relation to a woman (but only once the person has reached pensionable age for a man).

(6) Paragraph 10 makes provision about deferment of Manx state pensions under Part 1 of the Pensions Act 2014."

(3) In paragraph 7, in sub-paragraph (1), at the end insert "(but this is subject to sub-paragraph (3))".

(4) In paragraph 10, in sub-paragraph (1), before paragraph (a) insert —

"(za) a Manx state pension under Part 1 of the Pensions Act 2014,".

Finance (No. 2) Act 2005 (c. 22)

49. to 51. Omitted.

Welfare Reform Act 2012 (c. 5)

52. Omitted.

Part 2 - Amendments to do with old state pension system

Graduated retirement benefit

53.

(1) Section 35 of the National Insurance (Isle of Man) Act 1971 (graduated retirement benefit), so far as continuing in force, is amended as follows.

(2) In subsection (7), for "has attained pensionable age" substitute "attained pensionable age before 6 April 2019".

(3) In subsection (8), in the definition of "retirement pension", after "any category" insert "under the Social Security Contributions and Benefits Act 1992".

Category A retirement pensions

54. The Contributions and Benefits Act is amended as follows.
55. In section 44(1) (Category A retirement pensions), for paragraph (a) substitute —

"(a) the person attained pensionable age before 6 April 2019.",

56.

(1) Section 48 (use of former spouse's contributions) is amended as follows.

(2) In subsection (1), after "person" insert "who attained pensionable age before 6 April 2019".

(3) After subsection (2) insert —

"(2A) Regulations under subsection (1) may not provide for contributions of a person in respect of times on or after 6 April 2019 to be treated as contributions of another person."

Category B retirement pensions

57. The Contributions and Benefits Act is amended as follows.

58. In section 23A (contributions credits for relevant parents and carers), in subsection (1)(b), after "section 48A" insert "or 48AA".

59. In section 46 (modification of section 45 for calculating additional pension in certain benefits), in subsection (2), omit "48A(4) or" (in both places).

60. For section 48A substitute —

"48A. Category B retirement pension for married person or civil partner

(1) A married person is entitled to a Category B retirement pension by virtue of the contributions of his or her spouse if —

(a) the person attained pensionable age before 6 April 2019, and

(b) the spouse —

(i) has attained pensionable age, and

(ii) satisfies the relevant contribution condition.

(2) But subsection (1) does not confer a right to a Category B retirement pension on —

(a) a man whose spouse was born before 6 April 1950, or

(b) a woman whose wife was born before 6 April 1950.

(3) A person who is a civil partner is entitled to a Category B retirement pension by virtue of the contributions of his or her civil partner ("the contributing civil partner") if —

(a) the person attained pensionable age before 6 April 2019, and

(b) the contributing civil partner —

(i) was born on or after 6 April 1950,

(ii) has attained pensionable age, and

(iii) satisfies the condition in paragraph 5A of Schedule 3.

(4) A Category B retirement pension payable under this section is payable at the weekly rate specified in paragraph 5 of Part 1 of Schedule 4.

(5) A person ceases to be entitled to a Category B retirement pension under this section if —

(a) the person's spouse or civil partner dies (but see sections 48B and 51), or

(b) the person otherwise ceases to be married or in the civil partnership (but see section 48AA).
(6) In subsection (1)(b)(ii) "the relevant contribution condition" means —

(a) in a case where the spouse was born before 6 April 1945, the conditions in paragraph 5 of Schedule 3;

(b) in any other case, the condition in paragraph 5A of Schedule 3.

(7) For the purposes of any provision of this Act as it applies in relation to this section, no account is to be taken of any earnings factors of the spouse or contributing civil partner for the tax year beginning with 6 April 2019 or any later tax year.

(8) Section 51ZA contains special rules for cases involving changes in gender.

48AA. Category B retirement pension for divorcee or former civil partner

(1) A person who has been in a marriage that has been dissolved is entitled to a Category B retirement pension by virtue of the contributions of his or her former spouse if —

(a) the person attained pensionable age —

(i) before 6 April 2019, and

(ii) before the marriage was dissolved, and

(b) the former spouse —

(i) attained pensionable age before the marriage was dissolved, and

(ii) satisfied the relevant contribution condition.

(2) But subsection (1) does not confer a right to a Category B retirement pension on —

(a) a man whose former spouse was born before 6 April 1950, or

(b) a woman whose former wife was born before 6 April 1950.

(3) A person who has been in a civil partnership that has been dissolved is entitled to a Category B retirement pension by virtue of the contributions of his or her former civil partner if —

(a) the person attained pensionable age —

(i) before 6 April 2019, and

(ii) before the civil partnership was dissolved, and

(b) the former civil partner —

(i) was born on or after 6 April 1950,

(ii) attained pensionable age before the civil partnership was dissolved, and

(iii) satisfied the condition in paragraph 5A of Schedule 3.

(4) During any period when the person’s former spouse or civil partner is alive, a Category B retirement pension payable under this section is payable at the weekly rate specified in paragraph 5 of Part 1 of Schedule 4.

(5) During any period after the person’s former spouse or civil partner is dead, a Category B retirement pension payable under this section is payable at the weekly rate of the basic pension specified in section 44(4).

(6) In subsection (1)(b)(ii) "the relevant contribution condition" means —

(a) in a case where the former spouse was born before 6 April 1945, the conditions in paragraph 5 of Schedule 3;

(b) in any other case, the condition in paragraph 5A of Schedule 3.
(7) For the purposes of any provision of this Act as it applies in relation to this section, no account is to be taken of any earnings factors of the former spouse or civil partner for the tax year beginning with 6 April 2019 or any later tax year.

(8) A voidable marriage or civil partnership which has been annulled is to be treated for the purposes of this section as if it had been a valid marriage or civil partnership which was dissolved at the date of annulment.

(9) Section 51ZA contains special rules for cases involving changes in gender."

61.

(1) Section 48B (Category B retirement pension for widows and widowers) is amended as follows.

(2) For subsections (1) to (1A) substitute —

"(1) A person ("the pensioner") whose spouse died while they were married is entitled to a Category B retirement pension by virtue of the contributions of his or her spouse if —

(a) the pensioner attained pensionable age —

(i) before 6 April 2019, and

(ii) before the spouse died, and

(b) the spouse satisfied the relevant contribution condition.

(1ZA) But subsection (1) does not confer a right to a Category B retirement pension on —

(a) a man who attained pensionable age before 6 April 2010, or

(b) a woman who attained pensionable age before 6 April 2010 and whose spouse was a woman.

(1ZB) In subsection (1)(b) "the relevant contribution condition" means —

(a) in a case where the spouse —

(i) died before 6 April 2010, or

(ii) died on or after that date having attained pensionable age before that date, the conditions in paragraph 5 of Schedule 3, and

(b) in any other case, the condition in paragraph 5A of Schedule 3.

(1A) A person ("the pensioner") whose civil partner died while they were civil partners of each other is entitled to a Category B retirement pension by virtue of the contributions of his or her civil partner if —

(a) the pensioner attained pensionable age —

(i) on or after 6 April 2010 but before 6 April 2019, and

(ii) before the civil partner died, and

(b) the civil partner satisfied the relevant contribution condition.

(1B) In subsection (1A)(b) "the relevant contribution condition" means —

(a) in a case where the deceased civil partner attained pensionable age before 6 April 2010, the conditions in paragraph 5 of Schedule 3, and

(b) in any other case, the condition in paragraph 5A of Schedule 3."

(3) After subsection (3) insert —
(3A) For the purposes of any provision of this Act as it applies in relation to this section, no account is to be taken of any earnings factors of the deceased for the tax year beginning with 6 April 2019 or any later tax year."

(4) For subsection (4) substitute —

"(4) A woman ("the pensioner") whose husband died before she attained pensionable age is entitled to a Category B retirement pension by virtue of the contributions of her husband if —

(a) she attained pensionable age before 6 April 2019, and
(b) the condition in subsection (5) is satisfied.

(4A) A man ("the pensioner") whose wife died before he attained pensionable age is entitled to a Category B retirement pension by virtue of the contributions of his wife if —

(a) he attained pensionable age on or after 6 April 2010 but before 6 April 2019, and
(b) the condition in subsection (5) would have been satisfied on the assumption mentioned in subsection (7)."

(5) In subsection (6), after "subsection (4)" insert "or (4A)".

(6) In subsection (7), for "(4)" substitute "(4A)".

(7) After subsection (8) insert —

"(9) Section 51ZA contains special rules for cases involving changes in gender."
(a) in a case where the spouse attained pensionable age before 6 April 2010, the conditions in paragraph 5 of Schedule 3, and

(b) in a case where the spouse attained pensionable age on or after 6 April 2010, the condition in paragraph 5A of Schedule 3.

(4) A person ("the pensioner") whose civil partner died while they were civil partners of each other is entitled to a Category B retirement pension if —

(a) they were both over pensionable age at the time of the death,

(b) the pensioner attained pensionable age before 6 April 2010, and

(c) the deceased civil partner satisfied the relevant contribution condition.

(5) In subsection (4)(c) "the relevant contribution condition" means —

(a) in a case where the deceased civil partner attained pensionable age before 6 April 2010, the conditions in paragraph 5 of Schedule 3, and

(b) in a case where the deceased civil partner attained pensionable age on or after 6 April 2010, the condition in paragraph 5A of Schedule 3.

(6) The weekly rate of a person's Category B retirement pension under this section is to be determined in accordance with sections 44 to 45AA and Schedule 4A as they apply in the case of a Category A retirement pension taking references in those sections to the pensioner as references to the spouse or deceased civil partner.

(7) But in the case of —

(a) a man whose wife dies after 5 October 2002,

(b) a surviving party to a marriage of a same sex couple, or

(c) a surviving civil partner,

any amount of additional pension falling to be calculated under subsection (6) is to be halved.

(8) For the purposes of any provision of this Act as it applies in relation to this section, no account is to be taken of any earnings factors of the spouse or deceased civil partner for the tax year beginning with 6 April 2019 or any later tax year.

(9) Subject to the provisions of this Act, a person becomes entitled to a Category B retirement pension under this section on the day on which the conditions of entitlement become satisfied and the entitlement continues throughout the person's life.

(10) Section 51ZA contains special rules for cases involving changes in gender.

65. After section 51 insert —

"51ZA. Special provision for married person whose spouse changed gender

(1) Section 48A(2)(b) does not prevent a woman from being entitled to a Category B retirement pension under that section in a case where —

(a) her spouse is a woman by virtue of a full [...] certificate having been issued [...] and

(b) the marriage subsisted before the time when that certificate was issued.

(2) Section 48AA(2)(b) does not prevent a woman from being entitled to a Category B retirement pension under that section in a case where —

(a) her former spouse was, at the time the marriage was dissolved, a woman by virtue of a full [...] certificate having been issued [...] and

(b) the marriage subsisted before the time when that certificate was issued."
(3) Section 48B(1ZA)(b) does not prevent a woman from being entitled to a Category B retirement pension under that section in a case where —

(a) her dead spouse was, at the time of death, a woman by virtue of a full [...] certificate having been issued [...], and

(b) the marriage subsisted before the time when that certificate was issued,

and in such a case the reference in section 48B(1ZB)(a)(ii) to the spouse having attained pensionable age before 6 April 2010 is to be read as a reference to the spouse having been born before 6 April 1945.

(4) Section 51(1) does not confer a right to a Category B retirement pension on a woman if —

(a) her dead spouse was, at the time of death, a woman by virtue of a full [...] certificate having been issued [...], and

(b) the marriage subsisted before the time when that certificate was issued.

(4A) In this section “full certificate” has the meaning given in section 1 of the Gender Recognition Act 2009.

66. In section 52(3) (special provision for surviving spouses) for "prescribed maximum" substitute "maximum amount specified in regulations".

67. (1) Schedule 3 (contribution conditions for entitlement to benefit) is amended as follows.

(2) In paragraph 5, for sub-paragraph (1) substitute —

"(1) This paragraph sets out the contribution conditions for —

(a) a widowed mother's allowance, a widowed parent's allowance or a widow's pension;

(b) a Category A retirement pension (other than one in relation to which paragraph 5A applies);

(c) a Category B retirement pension in the cases provided for by any of sections 48A to 51ZA."

(3) In paragraph 5A(1), for paragraphs (b) and (c) substitute —

"(b) a Category B retirement pension in the cases provided for by any of sections 48A to 51ZA."

68. In Part 1 of Schedule 4 (rates of certain benefits), in paragraph 5, for "section 48A(4)" substitute "section 48A(4) or 48AA(4)".

69. In Schedule 4A (additional pension: accrual rates for purposes of section 45(2)(c)), in paragraph 1(2), omit ", 48A(4)" (in both places).

70. In Schedule 4E to the Administration Act (review and alteration of benefits), in paragraph 1(1), after paragraph (c)(iii) insert —

"(iiiia) [...] section 52(3) of that Act (special provision for surviving spouses);".

71. In section 46 of the Pension Schemes Act 1993 (effect of entitlement to guaranteed minimum pensions on payment of social security benefits), in subsection (6)(b)(iii), omit "48A,"

72. In section 128 of the Pensions Act 1995 (additional pension: calculation of surpluses), in subsection (6), omit "48A or.".
73. In Schedule 4 to the Pensions Act 1995 (equalisation of, and increase in, pensionable age for men and women), omit paragraph 3(2) and (3).

74. Omitted.

75. In Schedule 24 to the Civil Partnership Act 2004, omit paragraphs 25(6) and 28(6).

76. In Schedule 5 to the Gender Recognition Act 2004 (benefits and pensions), in paragraph 8(1)(a) and (3), after "48A," insert "48AA,"

77. In the Schedule [...] to the **Social Security (Marriage and Civil Partnership (Amendment) Act 2016) Order 2016**, omit paragraphs 2 to 4.

**Category C retirement pensions: repeal of spent provisions**

78. to 82. Omitted.

83. In Schedule 5 to the Gender Recognition Act 2004 (benefits and pensions) omit paragraph 11 and the heading above it.

**Category D retirement pensions**

84. Omitted.

**Age addition**

85. Omitted.

**Christmas bonus**

86. In section 150(2) of the Contributions and Benefits Act (Christmas bonus: interpretation), for the definition of "retirement pension" substitute —

""retirement pension" means —

(a) a *Manx* state pension under Part 1 of the Pensions Act 2014,

(b) a retirement pension under this Act, or

(c) graduated retirement benefit."

**Transition: same sex marriages**

87. Omitted.

**Part 3 - Amendments to do with state pension credit**

88. to 91. Omitted.

**Part 4 - Other amendments to do with Part 1**

*Social Security Contributions and Benefits Act 1992 (c. 4)*

92. The Contributions and Benefits Act is amended as follows.

93.

(1) Section 39C (rate of widowed parent's allowance and bereavement allowance) is amended as follows.

(2) In subsection (1), for the words from "45" to "as they apply" substitute "45 and Schedules 4A and 4B below as they apply".
(3) In subsection (3), for the words from "45A" to "by virtue of subsection (1) above" substitute "45 and Schedules 4A and 4B below by virtue of subsection (1) above".

(4) In subsection (4), for the words from "45A" to "below" substitute "45 and Schedules 4A and 4B below".

94.

(1) Schedule 5 (pension increase or lump sum where entitlement to retirement pension is deferred) is amended as follows.

(2) In the following provisions omit "(as those provisions have effect by virtue of section 2(7) of the Pensions Act 2011)" —

paragraph 4(1A)(a), (b) and (c);

paragraph 7B(5)(b)(i).

(3) After paragraph 7 insert —

"7ZA.

(1) This paragraph modifies paragraphs 5A to 6A in cases where —

(a) W became entitled to a Category A or Category B retirement pension before 6 April 2012, and

(b) S died before 6 April 2012.

("W" and "S" have the same meaning as in paragraph 5.)

(2) Paragraph 5A applies as if —

(a) in sub-paragraph (2), after paragraph (a), there were inserted —

"(b) the appropriate amount; and";

(b) in sub-paragraph (3), after "following-", there were inserted —

"(a) one half of the appropriate amount; and".

(3) Paragraph 6 applies as if —

(a) in sub-paragraph (2), after paragraph (a), there were inserted —

"(b) the appropriate amount; and";

(b) in sub-paragraph (3), after paragraph (b), there were inserted —

"(c) the appropriate amount reduced by the amount of any increases under section 109 of the Pensions Act; and";

(c) in sub-paragraph (4), after paragraph (a), there were inserted —

"(b) one half of the appropriate amount; and".

(4) Paragraph 6A applies as if in sub-paragraph (2), after paragraph (a), there were inserted —

"(b) one half of the appropriate amount; and".

(5) In paragraphs 5A to 6A as modified by this paragraph, the "appropriate amount" means the greater of —

(a) the amount by which the deceased person's Category A or Category B retirement pension had been increased under paragraph 1(1)(j) of Schedule 4E to the Administration Act; or
(b) the amount by which his or her Category A or Category B retirement pension would have been so increased had he or she died immediately before the surviving spouse or civil partner became entitled to a Category A or Category B retirement pension.

(6) In sub-paragraph (1)(a) the reference to becoming entitled to a pension before 6 April 2012 includes a reference to becoming entitled on or after that day to the payment of a pension in respect of a period before that day.”

(3A) In this paragraph reference to Schedule 5 to the Contributions and Benefits Act is to the entry relating to Schedule 5 to the Social Security Contributions and Benefits Act 1992 as it stood immediately before its omission by the Social Security Contributions and Benefits Act 1992 (Application) (Amendment) Order 2016 and as if it had not been so omitted.

Pension Schemes Act 1993 (c. 48)

95. Section 46A of the Pension Schemes Act 1993 (retirement in tax year after 5 April 2020) is repealed.

Pensions Act 2008 (c. 30)

96. In the Pensions Act 2008, the following are repealed —
(a) sections 102 and 103 (consolidation of additional pension);
(b) Schedule 3 (consolidation of additional pension);
(c) in Schedule 4 (minor and consequential amendments) —
   paragraph 4(2)(b) and (3)(b);
   paragraph 6(3);
   paragraph 7(a);
   paragraph 8(a);
   paragraph 9(2)(c);
   paragraph 10;
   paragraphs 13, 15 to 19, 21 [...] and 22.

Pensions Act 2011 (c. 19)

97. In the Pensions Act 2011, the following are repealed —
(a) section 2(5) to (9) and Schedule 2 (abolition of certain additions to the state pension);
(b) section 3 and Schedule 3 (consolidation of additional pension).

Schedule 13 - Abolition of contracting-out for salary related schemes

Part 1 - Pension Schemes Act 1993: amendments

1. The Pension Schemes Act 1993 is amended as follows.
2. For "the abolition date" (in each place) substitute "the first abolition date".
3. In the heading for Part 3 of the Act —
   (a) for "Certification of pension schemes" substitute "Schemes that were contracted-out etc";
(b) omit "and duties".

4. For the heading to Chapter 1 of Part 3 substitute "Schemes that were contracted-out: guaranteed minimum pensions and alteration of scheme rules etc".

5. Section 7 (issue of contracting-out certificates) is repealed (and accordingly, any certificates in force under that section immediately before this paragraph comes into force cease to have effect).

6. After section 7 insert —

""7A Meaning of "the first abolition date" and "the second abolition date"

In this Act —

"the first abolition date" means 6 April 2012 (the date appointed for the commencement of section 15(1) of the Pensions Act 2007 (abolition of contracting-out for defined contribution pension schemes));

"the second abolition date" means 6 April 2019 (the date on which section 24(1) of that Act (abolition of contracting-out for salary related schemes) comes into operation).

7B Meaning of "contracted-out scheme" and "appropriate scheme" etc.

(1) This section applies for the interpretation of this Act.

(2) An occupational pension scheme was "contracted-out" at a time if, at that time, there was in force a certificate under section 7 (as it then had effect) stating that the employment of an earner in employed earner's employment was contracted-out employment by reference to the scheme.

(3) "Contracting-out certificate" means a certificate of the kind mentioned in subsection (2).

(4) An occupational pension scheme was a "salary related contracted-out scheme" at a time if, at that time, the scheme was contracted-out by virtue of satisfying section 9(2) (as it then had effect).

(5) An occupational pension scheme was a "money purchase contracted-out scheme" at a time if, at that time, the scheme was contracted-out by virtue of satisfying section 9(3) (as it then had effect).

(6) A personal pension scheme was an "appropriate scheme" at a time if, at that time, there was in force a certificate issued under section 7(1)(b) (as it then had effect) stating that the scheme was an appropriate scheme.

(7) "Appropriate scheme certificate" means a certificate of the kind mentioned in subsection (6).

(8) An appropriate scheme certificate that was in force in relation to a scheme is to be taken as conclusive that the scheme was, at that time, an appropriate scheme."

7.

(1) Section 8 (meaning of "contracted-out employment", "guaranteed minimum pension" and "minimum payment") is amended as follows.

(2) For subsection (1) substitute —

"(1) In relation to any period before the second abolition date, the employment of an earner in employed earner's employment was "contracted-out employment" in relation to the earner during that period if —

(a) the earner was under pensionable age;

(b) the earner's service in the employment was service which qualified the earner for a pension provided by a salary related contracted-out scheme; and
(c) there was in force a contracting-out certificate issued in accordance with this Chapter (as it then had effect) stating that the employment was contracted-out employment by reference to the scheme."

(3) After subsection (1A) insert —

"(1B) In the following provisions of this Act "earner", in relation to a scheme, means a person who was an earner in contracted-out employment by reference to the scheme."

(4) In subsection (2), in the definition of "guaranteed minimum pension", for "by an occupational pension scheme" substitute ", by a scheme that was a salary related contracted-out scheme,".

(5) For subsection (4) substitute —

"(4) A contracting-out certificate that was in force in respect of an employed earner's employment is to be taken as conclusive that the employment was, at that time, contracted-out employment."

8. The italic heading above section 9 is repealed.

9. Sections 9 and 11 (requirements for certification of schemes: general) are repealed.

10. The italic heading above section 12A is repealed.

11. Sections 12A to 12D (requirements for certification applying to employment from 6 April 1997) are repealed.

12. For the italic heading above section 13 substitute "Guaranteed minimum pensions".

13. (1) Before section 13 insert —

"12E Former salary related contracted-out schemes to comply with GMP requirements

(1) A scheme that was a salary related contracted-out scheme is to be treated as including whatever provision it needs to contain to comply with the GMP requirements.

(2) A scheme complies with the GMP requirements if, in relation to any earner's service before the principal appointed day, it complies in all respects with sections 13 to 24E.

(3) Where —

(a) a scheme is permitted by any of those sections to include provision subject to certain requirements, and

(b) the scheme includes the provision but not the requirements,

the scheme is to be treated by subsection (1) as including the requirements.

(4) This section overrides any provision of a scheme to the extent that the provision of the scheme conflicts with it."

(2) For the purposes of section 12E it does not matter whether the scheme ceased to be contracted-out when the amendment made by paragraph 5 of this Schedule came into force or before that time.

(3) But section 12E does not treat a scheme as having included any provision before this paragraph comes into force."

14. In section 13 (minimum pensions for earners), in subsection (2) —

(a) for "is a married woman or widow who is liable" substitute "was a married woman or widow who was liable";

(b) after "Act 1992" insert "at a time during a relevant year when she was in contracted-out employment by reference to the scheme";

(c) at the end of that subsection insert —
"Relevant year" has the meaning given by section 14(8)."

15. (1) Section 14 (earner's guaranteed minimum) is amended as follows.
   (2) For subsection (1) substitute —
   "(1) An earner has a guaranteed minimum in relation to the pension provided by a scheme that was a salary related contracted-out scheme if in any tax week in a relevant year —
   (a) earnings were paid to or for the earner's benefit in respect of employment which was contracted-out by reference to the scheme; and
   (b) those earnings were in excess of the lower earnings limit for that tax week (or the prescribed equivalent if the earner was paid otherwise than weekly)."

16. In section 16 (revaluation of earnings factors for the purposes of section 14: early leavers etc), for subsection (2) substitute —
"(2) The scheme may provide that in a case where —
   (a) an earner was, before the second abolition date, in contracted-out employment by reference to a scheme, and
   (b) the earner ceases to be in pensionable service under the scheme before the final relevant year,
   the earnings factors for that person shall be determined for the purposes of section 14(2) by reference to the last such order to come into force before the end of the tax year in which the earner ceases to be in pensionable service under the scheme ("the last service tax year")."

17. (1) Section 17 (minimum pensions for widows, widowers and surviving civil partners) is amended as follows.
   (2) In subsection (4A), after paragraph (a) insert —
   "(aa) for life, in a case where —
   (i) the widow, widower or surviving civil partner attained state pension age on or after the second abolition date, and
   (ii) the earner died on or after the date on which the widow, widower or surviving civil partner attained state pension age;
   (ab) for any period after the widow, widower or surviving civil partner has attained state pension age, in a case where —
   (i) the earner died before the widow, widower or surviving civil partner attained state pension age,
   (ii) the widow, widower or surviving civil partner did not marry or form a civil partnership after the death and before attaining state pension age, and
   (iii) the widow, widower or surviving civil partner attained state pension age on or after the second abolition date;".
   (3) After subsection (8) insert —
"(9A) For the purposes of subsection (4A)(aa) and (ab) a person attains state pension age when he or she attains pensionable age within the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995."

18. In section 20 (transfer of accrued rights), in subsection (1)(a) —
   (a) in sub-paragraph (i), after "under a" insert "scheme that was a";
   (b) in sub-paragraph (ii) —
      (i) omit "which is not contracted-out,";
      (ii) after "under a" insert "scheme that was a".

19. In section 23 (securing of benefits), in subsection (2), omit paragraph (d).

20. In section 24A —
   (a) the existing text becomes subsection (1), and
   (b) after that subsection insert —
       "(2) The Department must give such guidance (if any) as it thinks appropriate about GMP conversion."

21. In section 25 (power for Department to impose conditions as to investments and resources), in subsection (2), after "A" insert "scheme that was a".

22. Sections 34 to 36 (cancellation, variation, surrender and refusal of certificates) are repealed.

23. In the italic heading above section 37, for "scheme rules after certification" substitute "rules by former salary related contracted-out schemes".

24. In section 37 (alteration of rules of contracted-out schemes) for subsections (1) to (3) substitute —
   "(1) Except in prescribed cases, the rules of a scheme that was a salary related contracted-out scheme cannot be altered unless the alteration is of a prescribed description.

   (2) Regulations made by virtue of subsection (1) may operate so as to validate with retrospective effect any alteration of the rules which would otherwise be void under this section.

   (3) Subsection (1) does not apply to a scheme if no person is entitled to receive, or has accrued rights to, any benefits under the scheme attributable to a period when the scheme was contracted-out."

25. After section 37 insert —

   "37A Transfer of liabilities etc: schemes contracted-out on or after 6 April 1997

   (1) Regulations may prohibit or restrict —
      (a) the transfer of any liability —
         (i) for the payment of pensions under a relevant scheme, or
         (ii) in respect of accrued rights to such pensions,
      (b) the discharge of any liability to provide pensions under a relevant scheme, or
      (c) the payment of a lump sum instead of a pension payable under a relevant scheme,
   except in prescribed circumstances or on prescribed conditions."
(2) In this section “relevant scheme” means a scheme that was a salary related contracted-out scheme by virtue of section 9(2B) and references to pensions and accrued rights under the scheme are to such pensions and rights so far as attributable to an earner’s service on or after the principal appointed day (including, in a case where there has been a transfer payment, any pensions or rights deriving (directly or indirectly) from —

(a) an earner’s service on or after the principal appointed day in employment that was contracted-out employment by reference to another scheme, or

(b) in a case where the transfer payment was made before the first abolition date, protected rights under another occupational pension scheme or under a personal pension scheme which derive from payments or contributions in respect of employment on or after the principal appointed day).

(3) Regulations under subsection (1) may provide that any provision of this Part shall have effect subject to such modifications as may be specified in the regulations.”

26. For the heading to Chapter 2 of Part 3 substitute "Reduction in social security benefits for members of schemes that were contracted-out”.

27. In section 40 (scope of Chapter 2) —

(a) omit paragraph (a);

(b) in paragraph (c) for "such schemes" substitute "schemes that were contracted-out pension schemes”.

28. The italic heading above section 41 is repealed.

29. Section 41 (reduced rates of Class 1 contributions) is repealed.

30. Omitted.

31. In section 48A (additional pension and other benefits), in subsection (1), for the words from the beginning to the end of paragraph (b) substitute "In relation to —

(a) any tax week falling before the first abolition date where the amount of a Class 1 contribution attributable to section 8(1)(a) of the Social Security Contributions and Benefits Act 1992 in respect of the earnings paid to or for the benefit of an earner in that week was reduced under section 42A of this Act (as it then had effect),

(b) any tax week falling before the second abolition date where the amount of a Class 1 contribution attributable to section 8(1)(a) of the Social Security Contributions and Benefits Act 1992 in respect of the earnings paid to or for the benefit of an earner in that week was reduced under section 41 of this Act (as it then had effect), or

(c) any tax week falling before the first abolition date where an amount was paid under section 45(1) of this Act (as it then had effect) in respect of the earnings paid to or for the benefit of an earner,”.

32. Section 49 (women, married women and widows) is repealed.

33. Section 50 (powers of Department to approve arrangements for scheme ceasing to be certified) is repealed.

34. In section 51 (calculation of guaranteed minimum pensions under approved arrangements), in subsection (1)(b), for "ceases" substitute "ceased”.

35. For section 52 substitute —

”52 Supervision of former salary related contracted-out schemes

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Section 53 shall apply for the purpose of making provision for securing the continued supervision of any scheme that was a salary related contracted-out scheme, other than a public service pension scheme, if any person is entitled to receive or has accrued rights to —

(a) a guaranteed minimum pension under the scheme, or

(b) a pension under the scheme attributable to service on or after the principal appointed day but before the scheme ceased to be contracted-out."

36. In section 53 (supervision: former contracted-out schemes), omit subsection (3).

37. Sections 55 to 68 (state scheme premiums) are repealed.

38. In section 87 (general protection principle), in subsection (1)(a), for sub-paragraph (i) substitute —

"(i) the date ("the cessation date") which is the earlier of —

(a) the date on which an earner ceases to be in pensionable service under a scheme that was, before the second abolition date, a salary related contracted-out scheme; and

(b) the date on which the earner attains pensionable age;".

39. In section 96 (further provisions concerning exercise of option to take cash equivalent in a particular way), in subsection (2), in paragraph (a)(i) omit "which is not a contracted-out scheme".

40. In section 109 (annual increase of guaranteed minimum pensions), in subsection (3A)(b), omit "for the purposes of Part 3 of the Pensions Act 1995".

41. In section 171 (questions arising in proceedings), in subsection (1), omit paragraph (b) and the "or" before it.

42. In section 178 (trustees and managers of schemes), in paragraph (a) —

(a) after "(of Tynwald)," insert "or";

(b) omit "or Part II of Schedule 5 to the Child Support, Pensions and Social Security Act 2000".

43.

(1) Section 181(1) (general interpretation) is amended as follows.

(2) In the appropriate places insert —

""the first abolition date" has the meaning given by section 7A;"

""the second abolition date" has the meaning given by section 7A;"

""the principal appointed day" means 6 April 1997 (which is the day designated as the principal appointed day for the purposes of Part 3 of the Pensions Act 1995);"

""salary related contracted-out scheme" is to be construed in accordance with section 7B;"

(3) Omit the definition of "abolition date".

(4) In the definition of "appropriate scheme" and "appropriate scheme certificate", for "section 181A" substitute "section 7B".

(5) In the definition of "contracting-out certificate", for "section 7 and section 181A" substitute "section 7B".

(6) In the definition of "contributions equivalent premium", for "has the meaning given in" substitute "means a premium that was paid under".

(7) In the definition of "earner" and "earnings", after "in accordance with" insert "section 8(1B) of this Act and".
(8) In the definition of "money purchase contracted-out scheme", for “section 181A” substitute "section 7B”.

44. Section 181A (interpretation of references to money purchase contracted-out schemes or appropriate schemes after first abolition date) is repealed.

45. Omitted.

46. 

(1) Schedule 2 (certification regulations) is amended as follows.

(2) Omit paragraphs 1 to 4.

(3) In paragraph 5(3A), for "a contracted-out occupational pension scheme which is being wound up" substitute "a scheme which was a contracted-out occupational pension scheme and which was being wound up before the second abolition date”.

(4) Omit paragraphs 6 and 8.

47. Omitted.

Part 2 - Other Acts: amendments

Social Security Contributions and Benefits Act 1992 (c. 4)

48. The Contributions and Benefits Act is amended as follows.

49. Omitted.

50. Omitted.

51. In section 8 (calculation of primary Class 1 contributions), in subsection (3), omit paragraph (c) and the “and” before it.

52. In section 9 (calculation of secondary Class 1 contributions), in subsection (3), omit paragraph (c) and the "and" before it.

53. In section 20 (descriptions of contributory benefits), in subsection (3), for "(reduction in state scheme contributions and benefits for members of certified schemes)” substitute "(reduction in benefits for members of schemes that were contracted-out)".

54. In Schedule 1 (supplementary provisions relating to national insurance contributions), in paragraph 1, omit sub-paragraphs (2), (3), (6) and (9) and (10).

Social Security Administration Act 1992 (c. 5)

55. The Administration Act is amended as follows.

56. Omitted.

57. In section 191 (interpretation - general) —

(a) in the definition of "money purchase contracted-out scheme", for “section 181A” substitute "section 7B”;

(b) in the definition of "personal pension scheme” etc, for "section 181A(6)” substitute "section 7B(6)".

Pensions Act 1995 (c. 26)

58. The Pensions Act 1995 is amended as follows.

59.
(1) Section 51 (annual increase in rate of pension) is amended as follows.

(2) For "the appointed day" (in each place) substitute "6 April 1997".

(3) For subsection (8) substitute —

"(8) An occupational pension scheme is a "relevant occupational pension scheme" if —

(a) it has not, at any time on or after 6 April 1997, been a salary related contracted-out scheme (see section 7B of the Pension Schemes Act 1993), or

(b) it has, at any time on or after 6 April 1997, been a salary related contracted-out scheme but no person is entitled to receive, or has accrued rights to, benefits under the scheme attributable to a period on or after that day when it was such a scheme."

60. In section 54 (sections 51 to 53: supplementary), in subsection (3), omit the definition of "the appointed day".

61. For section 69 substitute —

"69 Grounds for applying for modifications: winding up exempt approved schemes

(1) The Department may, on an application made to it by the trustees of an exempt approved pension scheme which is being wound up, make an order —

(a) modifying the scheme for the purpose of enabling assets remaining after the liabilities of the scheme have been fully discharged to be distributed to the employer, or

(b) authorising the trustees to modify the scheme for that purpose.

(2) But the Department may act under subsection (1) only if prescribed requirements in relation to the distribution are satisfied.

(3) Regulations may make provision requiring applications under subsection (1) to meet prescribed requirements.

(4) Regulations may provide that in prescribed circumstances this section does not apply to schemes falling within a prescribed class or description or applies to them with prescribed modifications.

(5) In this section "exempt approved pension scheme" means an "exempt approved scheme" within the meaning given in section 3(1) of the Income Tax (Retirement Benefit Schemes) Act 1978 (other than a public service pension scheme)."

62. In section 70 (section 69: supplementary), omit subsection (3).

63. In section 71 (effect of orders under section 69), in subsection (1) —

(a) for "paragraph (a)" substitute "paragraph (b)";

(b) for "paragraph (b)" substitute "paragraph (a)".

64. In section 72 (modification of public service pension schemes), in subsection (1), for "section 69(1)(b)" substitute "section 69(1)(a)".

65. Sections 136(1), (3) and (5) [...] and 148 (amendments to do with contracting-out) are repealed.

Employment [...] Act 2006 (AT 21 of 2006)

66. The Employment [...] Act 2006 is amended as follows.

67. In section 8 (written particulars of terms of employment), omit subsection (5)(d) (including the "and" preceding it).
68. In section 17 (references to and determination by Tribunal), in subsection (4), omit paragraph (b) [...].

Child Support, Pensions and Social Security Act 2000 (c. 19)

69. The Child Support, Pensions and Social Security Act 2000 is amended as follows.

70. (1) Section 42 (disclosure of state pension information) is amended as follows.
(2) In subsection (3)(d), omit "which is not contracted-out employment".
(3) In subsection (11), omit the definition of "contracted-out employment".

71. Part 2 of Schedule 5 (alternative to anti-franking rules) is repealed.

Employment Act 2002 (c. 22)

72. Omitted.

Pensions Act 2004 (c. 35)

73. Omitted.

Companies Act 2006 (c. 46)

74. to 76. Omitted.

Pensions Act 2007 (c. 22)

77. The Pensions Act 2007 is amended as follows.

78. (1) Section 15 (abolition of contracting-out for defined contribution pension schemes) is amended as follows.
(2) In subsection (1), for "the abolition date" substitute "6 April 2012".
(3) In subsection (2), omit the definition of "the abolition date".
(4) In subsection (4), for "the abolition date" (in each place) substitute "6 April 2012".

79. In section 27 (consequential provision, repeals and revocations), in subsection (6), for "the abolition date (within the meaning of section 15)" substitute "6 April 2012".

80. (1) Schedule 4 (abolition of contracting-out for defined contribution pension schemes) is amended as follows.
(2) In paragraphs 61, 62(1), (2)(a) and (b)(i) and (3), 65 and 66(2) for "the abolition date" (in each place) substitute "6 April 2012".
(3) In paragraph 67(1) omit the definition of "the abolition date".

Pensions Act 2008 (c. 30)

81. to 83. Omitted.

Schedule 14 - Power to amend schemes to reflect abolition of contracting-out
Section 24

1. This Schedule is about the power under section 24(2) to amend an occupational pension scheme in relation to some or all of its members.

2. What can the power be used to do?

(1) The power may be used —
   (a) to increase the employee contributions of the relevant members;
   (b) to alter the future accrual of benefits for or in respect of them.

(2) But the power may not be used in a way that would —
   (a) increase the amount of the total annual employee contributions of the relevant members by more than the annual increase in the employer's national insurance contributions in respect of them,
   (b) reduce the amount of the scheme's liabilities in respect of the benefits that accrue annually for or in respect of the relevant members by more than the annual increase in the employer's national insurance contributions in respect of them, or
   (c) result in the sum of the amount of any increase in the total annual employee contributions of the relevant members and the amount of any reduction in the scheme's liabilities in respect of the benefits that accrue annually for or in respect of the relevant members being more than the annual increase in the employer's national insurance contributions in respect of the relevant members.

(3) Regulations are to define what is meant by —
   (a) the total annual employee contributions of the relevant members;
   (b) the annual increase in an employer's national insurance contributions in respect of the relevant members;
   (c) a scheme's liabilities in respect of the benefits that accrue annually for or in respect of the relevant members.

(4) The regulations may make provision about the calculation of those amounts, including provision requiring them to be calculated in accordance with specified methods or assumptions.

(5) Where the effect of using the power to increase employee contributions of the relevant members would be to increase the contributions that the employer is required to pay, the power may be used to make other amendments needed to ensure that only the employee contributions are increased because of the use of the power.

(6) Where the effect of using the power to alter the future accrual of benefits for or in respect of the relevant members would be to decrease the contributions that any members are required to pay, the power may be used to make other amendments needed to ensure that the contributions of those members are not decreased because of the use of the power.

3. The power may not be used in a way that would or might adversely affect the subsisting rights of —
   (a) a member of the scheme, or
   (b) a survivor of a member of the scheme.

(2) "Subsisting right" and "survivor" have the meanings given by sub-paragraphs (2A) to (2E).
(2A) “Subsisting right” means —

(a) in relation to a member of an occupational pension scheme, at any time —

(i) any right which at that time has accrued to or in respect of the member to future benefits under the scheme rules, or

(ii) any entitlement to the present payment of a pension or other benefit which the member has at that time under the scheme rules, and

(b) in relation to the survivor of a member of an occupational pension scheme, at any time, any entitlement to benefits, or right to future benefits, which the survivor has at that time under the scheme rules in respect of the member.

For this purpose, “right” includes a pension credit right.

(2B) At any time when the pensionable service of a member of an occupational pension scheme is continuing, his subsisting rights are to be determined as if he had opted, immediately before that time, to terminate that service.

(2C) “Scheme rules”, in relation to a scheme, means—

(a) the rules of the scheme, except so far as overridden by a relevant legislative provision,

(b) the relevant legislative provisions, to the extent that they have effect in relation to the scheme and are not reflected in the rules of the scheme, and

(c) any provision which the rules of the scheme do not contain but which the scheme must contain if it is to conform with the requirements of Chapter 1 of Part 4 of the Pension Schemes Act 1993 (preservation of benefit under occupational pension schemes).

(2D) For the purposes of sub-paragraph (2C) –

(a) “relevant legislative provision” means any provision contained in any of the following provisions—

(i) Schedule 5 to the Social Security Act 1989 (equal treatment for men and women);

(ii) Chapter 2 to 5 of Part 4 of the Pension Schemes Act 1993 (certain protection for early leavers) or regulations made under any of those Chapters;

(iii) Part 4A of that Act (requirements relating to pension credit benefit) or regulations made under that Part;

(iv) section 110(1) of that Act (requirement as to resources for annual increase of guaranteed minimum pensions);

(v) Part 1 of the Pensions Act 1995 (occupational pensions) or subordinate legislation made or having effect as if made under that Part;

(vi) section 31 of the Welfare Reform and Pensions Act 1999 (pension debits: reduction of benefit); and

(vii) any provision mentioned in section 306(2) of the Pensions Act 2004; and

(b) a relevant legislative provision is to be taken to override any of the provisions of the scheme if, and only if, it does so by virtue of any of the following provisions—

(i) paragraph 3 of Schedule 5 to the Social Security Act 1989;

(ii) section 129(1) of the Pension Schemes Act 1993;

(iii) section 117(1) of the Pensions Act 1995;

(iv) section 31(4) of the Welfare Reform and Pensions Act 1999; or

(v) section 306(1) of the Pensions Act 2004.
(2E) “Survivor” means a person who —

(a) is the widow or widower of the member, or

(b) has survived the member and has any entitlement to benefit, or right to future benefits, under the scheme rules in respect of the member.

4. Regulations may impose further restrictions on the use of the power.

Creation of exceptions

5. The power may not be used to amend a scheme in relation to a member of a description specified in regulations under this paragraph.

Requirement for actuary’s certificate

6. (1) The power may be used only if an actuary has certified that the proposed amendments would comply with such of the requirements imposed by or under this Schedule as are specified in regulations under this paragraph.

(2) “Actuary” means —

(a) a person of a description specified in regulations, or

(b) a person approved by the Secretary of State.

When can the power be used?

7. The power may be used before or after the repeal of section 41 of the Pension Schemes Act 1993 comes into force (but amendments made under it must not be framed so as to take effect before the repeal comes into force).

8. An amendment made before the repeal of section 41 of the Pension Schemes Act 1993 comes into force does not take effect in relation to any relevant members who have ceased to be in contracted-out employment by reference to the scheme before the repeal comes into force.

Can the power be used more than once?

9. (1) The power may be used to amend a scheme in relation to the same members on more than one occasion.

(2) For the purposes of paragraph 2 as it applies in relation to the use of the power on the second or subsequent occasion, all of the amendments are to be treated as if they were being made on that occasion.

(3) Regulations may make further provision modifying section 24(2) to (7) or this Schedule (including paragraph 2) where the power is used to amend the scheme in relation to the same members on more than one occasion.

Modifications for multi-employer or sectionalised schemes

10. (1) Regulations may modify section 24(2) to (7) or this Schedule as it applies in relation to —

(a) multi-employer schemes, or

(b) schemes that have different rules for different members.

(2) “Multi-employer scheme” means a scheme in relation to which there is more than one employer.

The power overrides other legislation
11. An amendment under section 24 and this Schedule may be made in relation to any member, and has effect, despite anything in any other enactment to the contrary.

Procedural requirements and supplementary matters

12. Regulations may impose procedural requirements about the use of the power and the manner in which any amendments must be made.

13. Regulations under this Schedule may confer a discretion on a person.

Information

14. (1) Regulations may require the trustees or managers of an occupational pension scheme to provide information requested by an employer in connection with the powers given by section 24(2).

(2) The regulations may provide for section 10 of the Pensions Act 1995 (civil penalties) to apply to a person who fails to comply with a requirement.

(3) In this paragraph "managers", in relation to a pension scheme (other than a scheme established under a trust), means the persons responsible for the management of the scheme.

Definitions

15. In this Schedule —

"employee contributions" means, in relation to a member of a scheme, contributions made to the scheme by or on behalf of the member on his or her own account;

"relevant member", in relation to a scheme, means a current member in relation to whom the scheme has been or is to be amended under section 24(2).

Schedule 15 – Option to boost old retirement pensions (Omitted)

Schedule 16 – Bereavement support payment: amendments

Forfeiture Act 1982 (c.34)

1. Omitted.

Social Security Contributions and Benefits Act 1992 (c. 4)

2. The Social Security Contributions and Benefits Act 1992 is amended as follows.

3. 

(1) Section 20 (descriptions of contributory benefits) is amended as follows.

(2) In subsection (1), for paragraph (ea) substitute—

“(ea) widowed parent’s allowance;”.

(3) In subsection (2), in the definition of “long-term benefit” omit paragraph (bb).

4. 

(1) Section 21 (contribution conditions) is amended as follows.

(2) In the table in subsection (2) omit the entries for bereavement payment and bereavement allowance.

(3) Omit subsection (4).

5. In section 22 (earnings factors), in subsection (2), after paragraph (b) [...] insert “and
(d) establishing entitlement to bereavement support payment under section 30 of the Pensions Act 2014.”.

6.
(1) Section 23A (contributions credits for relevant parents and carers) is amended as follows.
(2) In subsection (1) omit paragraph (e).
(3) In subsection (6)(b) omit “or (e)”.

7. For the italic heading above section 36 substitute “Bereavement benefits: deaths before the day on which section 30 of the Pensions Act 2014 comes into force”.

8. Section 36 (bereavement payment) is repealed.

9. Section 36A (cases in which sections 37 to 41 apply) is repealed.

10. (1) Section 37 (widowed mother’s allowance) is amended as follows.
(2) Before subsection (1) insert—
“(A1) This section applies only in cases where a woman’s husband has died before 9 April 2001.”.
(3) At the end of the heading insert “: deaths before 9 April 2001”.

11. (1) Section 38 (widow’s pension) is amended as follows.
(2) Before subsection (1) insert—
“(A1) This section applies only in cases where a woman’s husband has died before 9 April 2001.”.
(3) At the end of the heading insert “: deaths before 9 April 2001”.

12. In section 39A (widowed parent’s allowance), for subsection (1) substitute—
“(1) This section applies where—
(a) a person’s spouse or civil partner has died before the day on which section 30 of the Pensions Act 2014 comes into force (but see subsection (1A)),
(b) the person has not married or formed a civil partnership after the death but before that day, and
(c) the person is under pensionable age on that day.
(1A) This section does not apply in cases where a woman’s husband has died before 9 April 2001.”.

13. Section 39B (bereavement allowance where no dependent children) is repealed.

14. (1) Section 39C (rate of widowed parent’s allowance and bereavement allowance) is amended as follows.
(2) Omit subsection (2).
(3) Omit subsection (5).
(4) In the heading omit “and bereavement allowance”.
15. In section 48B (Category B retirement pension for widows and widowers), in subsection (8), for “the appointed day (as defined by section 36A(3))” substitute “9 April 2001”.

16. In section 48BB (Category B retirement pension: entitlement by reference to benefits under section 39A or 39B), in subsection (3)(a)(i), after “bereavement allowance” insert “under section 39B (before that section was repealed)”.

17. Section 60 (complete or partial failure to satisfy contribution condition) is amended as follows.

18. (1) Section 60 (complete or partial failure to satisfy contribution condition) is amended as follows.

19. Schedule 3 (contribution conditions for entitlement to benefit) is amended as follows.

20. The Social Security Administration Act 1992 is amended as follows.

21. (1) Section 1 (entitlement to benefit dependent on claim) is amended as follows.

22. Omitted.

23. (1) Section 3 (late claims for bereavement benefit where death is difficult to establish) is amended as follows.

24. “(5) In subsection (2) “bereavement benefit” means—

(a) bereavement support payment, or

(b) widowed parent’s allowance.”.
24. In section 5 (regulations about claims for and payments of benefits), in subsection (2), after paragraph (zb) (inserted by Schedule 12 to this Act) insert—
   “(zc) bereavement support payment under section 30 of the Pensions Act 2014;”.
25. In section 71 (overpayments - general), in subsection (11), after paragraph (aa) insert—
   “(ae) bereavement support payment under section 30 of the Pensions Act 2014;”.
27. In section 122B (supply of other government information for fraud prevention and verification), in subsection (3)(b), after “, Part 1 of the Pensions Act 2014” (inserted by Schedule 12 to this Act) insert “, section 30 of that Act ”.
28. In section 124 (age, death and marriage), in subsection (1), for the words from “for the purposes of this Act” to the end substitute “for the purposes —
   (a) of the provisions of the Contributions and Benefits Act to which this section applies;
   (aa) of the provisions of Parts I and II of the Jobseekers Act 1995;
   (af) of the provisions of Part 1 of the Pensions Act 2014;
   (ag) of section 30 of the Pensions Act 2014,
   including copies or extracts from the registers in their custody, as may be so prescribed.”.
29. In section 125 (regulations as to notification of deaths), in subsection (1), after “, Part 1 of the Pensions Act 2014” (inserted by Schedule 12 to this Act) insert “, section 30 of that Act ”.
30. Omitted.
31. (1) Section 163 (general financial arrangements) is amended as follows.
   (2) In subsection (1), after paragraph (za) (inserted by Schedule 12 to this Act) insert—
   “(zb) bereavement support payment under section 30 of the Pensions Act 2014;”.
32. Omitted.
33. (1) Section 179 (reciprocal agreements) is amended as follows.
   (2) In subsection (3)(a), after “Pensions Act 2014” (inserted by Schedule 12 to this Act) insert “, Part 5 of that Act”.
   (3) In subsection (4), after paragraph (ai) (inserted by Schedule 12 to this Act) insert—
   “(aj) to Part 5 of the Pensions Act 2014;”.
34. In subsection (5)—
   (a) after “Pensions Act 2014” (inserted by Schedule 12 to this Act) insert “, section 30 of that Act”;
“(ae) bereavement support payment;”.

34. In section 187 (inalienability), in subsection (1), for paragraph (aa) substitute —

“(aa) a jobseeker’s allowance;

(ae) bereavement support payment under section 30 of the Pensions Act 2014;”.

35. In section 191 (interpretation), in the definition of “benefit”, after “a carer’s bereavement payment” insert “[…], bereavement support payment under section 30 of the Pensions Act 2014”.

36. Omitted.

Social Security Act 1998 (c. 14)

37. The Social Security Act 1998 is amended as follows.

38. Omitted.

39. (1) Section 8 (decisions by an adjudication officer) is amended as follows.

(2) In subsection (3), after paragraph (ab) (inserted by Schedule 12 to this Act) insert —

“(ac) bereavement support payment under section 30 of the Pensions Act 2014;”.

(3) In subsection (4), after “Part 1 of the Pensions Act 2014” (inserted by Schedule 12 to this Act) insert “or section 30 of that Act”.

40. In section 11 (regulations with respect to decisions), in subsection (3), in the definition of “the current legislation”, after “Part 1 of the Pensions Act 2014” (as inserted by Schedule 12 to this Act) insert “and section 30 of that Act”.

41. In section 27 (restriction on entitlement in cases of error), in subsection (7), in the definition of “benefit” —

(a) after paragraph (dg) insert —

“(dg) bereavement support payment under section 30 of the Pensions Act 2014;”;

(b) in paragraph (e), for “to (d)” substitute “ to (dg)”.

42. In section 28 (correction of errors in decisions etc), in subsection (3)(j), after “Part 1 of the Pensions Act 2014” (inserted by Schedule 12 to this Act) insert “or section 30 of that Act”.

Social Security Fraud Act 2001 (c. 11)

43. The Social Security Fraud Act 2001 is amended as follows.

44. In section 6A (definitions), in subsection (1), in the definition of “disqualifying benefit”, after paragraph (a) insert —

“(cb) bereavement support payment under section 30 of the Pensions Act 2014 […];”.

45. In section 10 (power to supplement and mitigate loss of benefit provisions), in subsection (3), after paragraph (bf) (inserted by Schedule 12 to this Act) insert —

“(bg) bereavement support payment under section 30 of the Pensions Act 2014 […];”.

46. to 48. Omitted.

Schedule 17 – Automatic transfer of pension benefits etc (Omitted)
Schedule 18 – Power to restrict charges or impose requirements in relation to schemes
(*Omitted*)

Schedule 19 – Prohibition orders: consequential amendments (*Omitted*)

Schedule 20 – Pension Protection Fund: increased compensation cap for long service
(*Omitted*)
EXPLANATORY NOTE
(This note is not part of the Order)

Section 1 of the Social Security Act 2000 and section 1 of the Pension Schemes Act 1995 (both Acts of Tynwald) enable the Treasury by order to apply to the Isle of Man as part of the law of the Isle of Man (incorporating such exceptions, adaptations and modifications as are appropriate) any legislation of the United Kingdom Parliament to which section 1 of each Act applies.


This Order now applies to the Island the appropriate provisions of the 2014 Act. The 2014 Act contains significant reforms to the state pension system, amends the timetable for increasing pensionable age to 67 and abolishes contracting-out for salary-related occupational pension schemes. The Order also revokes and re-applies provisions of the 2014 Act relating to the new bereavement support payment. An explanation of each provision of the 2014 Act applied to the Island follows.

Part 1 – State pension

Part 1 contains provisions to reform the state pension system and introduce a new state pension (“Manx state pension”) for people reaching pensionable age on or after 6 April 2019. It replaces the current two-component system (basic pension and additional pension) with a single-component, flat-rate pension. A person entitled to the full Manx state pension will be paid a single weekly rate to be set out in regulations.

Part 1 contains special provisions for people who have paid (or been credited with) National Insurance contributions before 6 April 2019 to ensure that all their contributions are taken into account (subject to a minimum qualifying years requirement) in determining entitlement to, and the amount payable of, the Manx state pension.

It also includes transitional provisions for –

- persons to inherit entitlement to Manx state pension from a late spouse or civil partner who had paid National Insurance contributions for tax years before the introduction of the Manx state pension;
- women who elected to pay a reduced rate of National Insurance contributions before 1977; and
- sharing certain state pension entitlement with a former spouse or civil partner on divorce or dissolution of a civil partnership.
Part 1 contains a number of changes arising from the introduction of the new Manx state pension, including the abolition of contracting-out for salary-related occupational pension schemes.

**Part 3 – Pensionable age**

Part 3 brings forward the increase in pensionable age to 67 eight years earlier than planned under the Pensions Act 2011 (as it has effect in the Island). The increase will now begin in 2026 and end in 2028.

**Part 5 – Bereavement support payment**

Part 5 contains provisions to reform bereavement benefits and introduce a new bereavement support payment. Those provisions were previously applied to the Island (but no others were), but are being revoked and re-applied with the other provisions of the 2014 Act.

**Part 7 – Final provisions**

Part 7 relates to the power to make regulations and orders under the 2014 Act and other general provision in respect of regulations and orders under the 2014 Act and the 2014 Act’s short title.