SOCIAL SECURITY CONTRIBUTIONS AND BENEFITS ACT 1992 (APPLICATION) (AMENDMENT) ORDER 2016

Index

Article **Page**

1 Title 3
2 Commencement 3
3 Application 3
4 Social Security Contributions and Benefits Act 1992 (Application) Order 1994 amended 3

Statutory Document No. 2016/0011

Social Security Act 2000

SOCIAL SECURITY CONTRIBUTIONS AND BENEFITS ACT 1992 (APPLICATION) (AMENDMENT) ORDER 2016

Approved by Tynwald: *16 February 2016*
Coming into Operation: *6 April 2016*

The Treasury makes the following Order under section 1 of the *Social Security Act 2000*.

1 Title

This Order is the Social Security Contributions and Benefits Act 1992 (Application) (Amendment) Order 2016.

2 Commencement

If approved by Tynwald, this Order comes into operation on 6 April 2016[1].

3 Application

(1) This Order applies to any person who reaches pensionable age on or after 6 April 2016.

(2) In paragraph (1) **"pensionable age"** has the meaning given by the rules in paragraph 1[2] of Schedule 4 to the Pensions Act 1995[3] as it has effect in the Island[4].

4 Social Security Contributions and Benefits Act 1992 (Application) Order 1994 amended

(1) The Schedule[5] to the Social Security Contributions and Benefits Act 1992 (Application) Order 1994[6] is amended as follows.

[1] Tynwald approval is required by section 2(1) of the Social Security Act 2000.
[2] Paragraph 1 amended by Schedule 3 to the Pensions Act 2007 (see SD 193/09) and section 1 of the Pensions Act 2011 (see SD 0152/12).
[3] 1995 c.26.
[4] See SD 501/97.
[5] The Schedule sets out the Social Security Contributions and Benefits Act 1992 (c.4) as it has effect in the Island (see SD 505/94).

(2) The entries relating to the following provisions are omitted —

(a) section 40(7) (long-term incapacity benefit for widows);

(b) section 41(6) (long-term incapacity benefit for widowers);

(c) section 54 (Category A and Category B retirement pensions: supplemental provisions);

(d) section 55[7] (pension increase or lump sum where entitlement to retirement pension is deferred);

(e) section 55C[8] (pension increase or lump sum where entitlement to shared additional pension is deferred);

(f) Schedule 5[9] (pension increase or lump sum where entitlement to retirement pension is deferred); and

(g) Schedule 5A[10] (pension increase or lump sum where entitlement to shared additional pension is deferred).

(3) In the entry relating to section 30A[11] (incapacity benefit: entitlement) for subsections (1) and (2) substitute —

"(1) Subject to the following provisions of this section, a person who—

(a) satisfies the condition mentioned in subsection (2) below; or

(b) if he does not satisfy that condition, satisfies each of the conditions mentioned in subsection (2A) below,

is entitled to short-term incapacity benefit in respect of any day of incapacity for work (the relevant day) which forms part of a period of incapacity for work.

(2) The condition mentioned in subsection (1)(a) above is that he —

(a) is under pensionable age on the relevant day; and

(b) satisfies the first and the second conditions set out in paragraphs 2 and 2A in Part 1 of Schedule 3 (contribution conditions for entitlement to short-term incapacity benefit)."

[6] SD 505/94.

[7] Section 55 substituted by the Pensions Act 2004 (see SD 68/05) and amended by S.I. 2005/2053 (see SD 655/05), the Pensions Act 2011 (see SD 0152/12) and the Pensions Act 2007 (see SD 193/09).

[8] Section 55C substituted by the Pensions Act 2004 (see SD 68/05).

[9] Schedule 5 amended by the Pension Schemes Act 1993 (see SD 531/95), the Pensions Act 1995 (see SD 501/97), the Pensions Act 2007 (see SD 193/09), the Child Support, Pensions and Social Security Act 2000 (see SD 378/01), S.I. 2058/2053 (see SD 65/05), the Pensions Act 2004 (see SD 68/05), the Tax Credits Act 2002 (see SD 120/03) and the Pensions Act 2011 (see SD 0152/12).

[10] Schedule 5A inserted by the Pensions Act 2004 (see SD 68/05).

[11] Section 30A inserted by the Social Security (Incapacity for Work) Act 1994 and amended by the Welfare Reform and Pensions Act 1999 (see SD 600/00), the Welfare Reform Act 2009 (see SD955/10) and the Civil Partnership Act 2004 (see SD654/05).

(4) In the entry relating to section 30B[12] (incapacity benefit: rate) in subsection (3) in paragraph (a) omit the words after "51A(2) below".

(5) In the entry relating to section 62 (graduated retirement benefit) in subsection (1) —

(a) in paragraph (a)[13] omit the words after "men";

(b) in paragraph (aa)[14] omit the words from "–" to "(ii)"; and

(c) omit paragraph (c)[15].

(6) In the entry relating to section 122 (interpretation of Parts I to VI etc.) in subsection (1) omit the definitions of **"deferred"** and **"period of deferment"**[16].

MADE 13TH JANUARY 2016

W E TEARE
Minister for the Treasury

[12] Section 30B inserted by the Social Security (Incapacity for Work) Act 1994 and amended by the Pensions Act 1995 (see SD 501/97) and the Civil Partnership Act 2004 (see SD 654/05)
[13] Paragraph (a) amended by the Pensions Act 1995 (see SD 501/97) and the Pensions Act 2004 (see SD 68/05).
[14] Paragraph (aa) inserted by the Pensions Act 1995 (see SD 501/97).
[15] Paragraph (c) added by the Pensions Act 2004 (see SD 68/05).
[16] Definitions substituted by the Pensions Act 2004 (see SD 68/05).

EXPLANATORY NOTE

(This note is not part of the Order)

This Order omits and amends certain provisions of the Social Security Contributions and Benefits Act 1992 as it has effect in the Island ("the 1992 Act").

The effect of the Order is to abolish a person's ability to defer entitlement to a state retirement pension or shared additional state pension in exchange for an increased rate of pension or taxable lump sum when the person ultimately claims a state retirement pension. It also abolishes a person's ability to elect to be treated as if that person had not become entitled to a state retirement pension after doing so ("de-retiring") in exchange for an increased pension or taxable lump sum when the person reclaims a state retirement pension. The Order makes consequential amendment to the 1992 Act also.

The changes made by the Order have effect only for persons reaching pensionable age on or after 6 April 2016.