



## THE SOCIAL SECURITY PENSIONS ACT 1975

### THE PENSIONS INCREASE (ANNUAL REVIEW) ORDER 2000

*Coming into operation*

*10th April 2000*

Whereas by virtue of section 151(1) of the Social Security Administration Act 1992 (an Act of Parliament)<sup>1</sup> a direction has been given under section 150(2) and section 190(1) of that Act by the Secretary of State for Social Security that the sums mentioned in section 150(1)(c) of that Act are to be increased

In exercise of the powers conferred on the Treasury by section 59 of the Social Security Pensions Act 1975 (an Act of Parliament)<sup>2</sup> as it has effect in the Isle of Man<sup>3</sup>, and of all other enabling powers, the following Order is hereby made:—

#### **Citation and commencement**

1. This Order may be cited as the Pensions Increase (Annual Review) Order 2000 and shall come into operation on the 10th April 2000.

#### **Interpretation**

2. (1) In this Order —

"the 1974 Act" means the Pensions (Increase) Act 1974<sup>4</sup>;

"the 1975 Act" means the Social Security Pensions Act 1975 (an Act of Parliament), as it has effect in the Isle of Man;

"basic rate" and "derivative pension" have the meanings given by section 11 of the 1974 Act;

"the existing orders" means the orders specified in the Schedule;

"official pension" has the meaning given by section 5(1) of the 1974 Act;

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<sup>1</sup>1992 c.5

<sup>2</sup>1975 c.60

<sup>3</sup>GC 137/77

<sup>4</sup>1974 c.27

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"pension authority" has the meaning given by section 11 of the 1974 Act;

"qualifying condition" has the meaning given by section 3 of the 1974 Act;

"relevant injury pension", "substituted pension" and "widow's pension" have the meanings given by section 11 of the 1974 Act.

(2) For the purposes of this Order the time when a pension begins is that stated in section 7(2) of the 1974 Act, and "beginning date" shall be construed accordingly.

(3) Where for the purposes of this Order it is necessary to calculate the number of complete months in any period, an incomplete month shall be treated as a complete month if it consists of at least 16 days.

### **Pensions increase**

3. The annual rate of an official pension may, if a qualifying condition is satisfied or the pension is a derivative or substituted pension or a relevant injury pension, be increased by the pension authority in respect of any period beginning on or after 10th April 2000 as follows –

- (a) a pension beginning before 12th April 1999 may be increased by 1.1 per cent of the basic rate as increased under section 1 of the 1974 Act or under the existing Orders;
- (b) a pension beginning on or after 12th April 1999 and before 10th April 2000 may be increased by 1.1 per cent, multiplied by the number of complete months in the period between the beginning date of the pension and 10th April 2000, divided by 12.

### **Increase in certain lump sums**

4. In respect of any lump sum or instalment of a lump sum which became payable before 10th April 2000 but on or after 12th April 1999 there may be paid an increase of 1.1 per cent of the amount of the lump sum or instalment (as increased under section 1 of the 1974 Act or under the existing Orders), multiplied by the number of complete months in the period between the beginning date for the lump sum or, if later, 12th April 1999 and the date on which it became payable, divided by 12.

### **Reduction in respect of guaranteed minimum pensions**

5. The amount by reference to which any increase in the rate of an official pension provided for by this Order is to be calculated shall, in the case of a person –

- (a) who is entitled to a guaranteed minimum pension on 10th April 2000, and
- (b) whose entitlement to that guaranteed minimum pension arises from an employment from which (either directly or by virtue of the payment of a transfer credit under section 38 of the 1975 Act) entitlement to the official pension also arises,

be reduced by an amount equal to the rate of the guaranteed minimum pension unless the Civil Service Commission otherwise directs in accordance with section 59A of the 1975 Act.

6. The amount by reference to which any increase in the rate of a widow's or widower's pension provided for by this Order is to be calculated shall, where the pensioner becomes entitled on the death of the deceased spouse to a guaranteed minimum pension, be reduced in accordance with section 59(5ZA) of the 1975 Act.

Article 2.

#### SCHEDULE

##### THE EXISTING ORDERS

<i>Reference</i>	<i>Title</i>
GC 133/74	The Pensions Increase (Annual Review) Order 1974
GC 125/75	The Pensions Increase (Annual Review) Order 1975
GC 149/76	The Pensions Increase (Annual Review) Order 1976
GC 183/77	The Pensions Increase (Annual Review) Order 1977
GC 87/78	The Pensions Increase (Annual Review) Order 1978
GC 143/80	The Pensions Increase (Annual Review) Order 1979
GC 276/80	The Pensions Increase (Annual Review) Order 1980
GC 250/81	The Pensions Increase (Annual Review) Order 1981
GC 239/82	The Pensions Increase (Annual Review) Order 1982
GC 212/83	The Pensions Increase (Annual Review) Order 1983
GC 248/84	The Pensions Increase (Annual Review) Order 1984
GC 299/85	The Pensions Increase (Annual Review) Order 1985
GC 228/86	The Pensions Increase (Annual Review) Order 1986
GC 66/87	The Pensions Increase (Annual Review) Order 1987
GC 18/88	The Pensions Increase (Annual Review) Order 1988
GC 84/89	The Pensions Increase (Annual Review) Order 1989
GC 196/90	The Pensions Increase (Annual Review) Order 1990
GC 106/91	The Pensions Increase (Annual Review) Order 1991
GC 120/92	The Pensions Increase (Annual Review) Order 1992
SD 156/93	The Pensions Increase (Annual Review) Order 1993



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## EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made under provisions of the Social Security Pensions Act 1975 (an Act of Parliament applied to the Isle of Man under the Social Security Act 1982 of Tynwald), which requires the Treasury to increase public service pensions in line with increases in the cost of living. For pensions which began before 12<sup>th</sup> April 1999 the increase is 1.1% per cent. For pensions which began on or after 12<sup>th</sup> April 1999 the increases are as follows:-

PENSIONS BEGINNING	PERCENTAGE INCREASE	PENSIONS BEGINNING	PERCENTAGE INCREASE
12th April 1999 to 25th April 1999	1.10%	26th September 1999 to 25th October 1999	0.55%
26th April 1999 to 25th May 1999	1.01%	26th October 1999 to 25th November 1999	0.46%
26th May 1999 to 25th June 1999	0.92%	26th November 1999 to 25th December 1999	0.37%
26th June 1999 to 25th July 1999	0.83%	26th December 1999 to 25th January 2000	0.28%
26th July 1999 to 25th August 1999	0.73%	26th January 2000 to 25th February 2000	0.18%
26th August 1999 to 25th September 1999	0.64%	26th February 2000 to 25th March 2000	0.09%

Deferred lump sums beginning on or before 25th March 2000 and which become payable after 9th April 2000 receive the same percentage increase as pensions which began on the same date. Article 4 of the Order provides for increases on certain deferred lump sums which became payable on or after 12th April 1999 and before 10th April 2000.