



THE SOCIAL SECURITY PENSIONS ACT 1975

THE PENSIONS INCREASE (ANNUAL REVIEW) ORDER 2003

Coming into operation

7th April 2003

Whereas by virtue of section 151(1) of the Social Security Administration Act 1992 (an Act of Parliament)¹ 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)² as it has effect in the Isle of Man³, 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 2003 and shall come into operation on the 7th April 2003.

Interpretation

2. (1) In this Order —

"the 1974 Act" means the Pensions (Increase) Act 1974⁴;

"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;

¹1992 c.5

²1975 c.60

³GC 137/77

⁴1974 c.27

"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 7th April 2003 as follows –

- (a) a pension beginning before 8th April 2002 may be increased by 1.7 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 8th April 2002 and before 7th April 2003 may be increased by 1.7 per cent, multiplied by the number of complete months in the period between the beginning date of the pension and 7th April 2003, 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 7th April 2003 but on or after 8th April 2002 there may be paid an increase of 1.7 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, 8th April 2002 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 7th April 2003, 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 |

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| 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 |
| SD 83/94 | The Pensions Increase (Annual Review) Order 1994 |
| SD 93/95 | The Pensions Increase (Annual Review) Order 1995 |
| SD 128/96 | The Pensions Increase (Annual Review) Order 1996 |
| SD 94/97 | The Pensions Increase (Annual Review) Order 1997 |
| SD 114/98 | The Pensions Increase (Annual Review) Order 1998 |
| SD 102/99 | The Pensions Increase (Annual Review) Order 1999 |
| SD 84/00 | The Pensions Increase (Annual Review) Order 2000 |
| SD 97/01 | The Pensions Increase (Annual Review) Order 2001 |
| SD 21/02 | The Pensions Increase (Annual Review) Order 2002 |

MADE

26th February 2003



Minister for the Treasury

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. The increase for 2003/04 is 1.7 per cent, reduced proportionately in the case of pensions beginning on or after 7th April 2003.