



Statutory Document No. 65/05

## THE SOCIAL SECURITY PENSIONS ACT 1975

### THE PENSIONS INCREASE (ANNUAL REVIEW) ORDER 2005

*Coming into operation*

*11th April 2005*

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 Work and Pensions 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:—

#### **1. Citation and commencement**

This Order may be cited as the Pensions Increase (Annual Review) Order 2005 and shall come into operation on the 11th April 2005.

#### **2. Interpretation**

(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;

"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.

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

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

<sup>3</sup> GC 133/77

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

(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.

### **3. Pensions increase**

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 11th April 2005 as follows —

- (a) a pension beginning before 11th April 2004 may be increased by 3.1 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 2004 and before 11th April 2005 may be increased by 3.1 per cent, multiplied by the number of complete months in the period between the beginning date of the pension and 11th April 2005, divided by 12.

### **4. Increase in certain lump sums**

In respect of any lump sum or instalment of a lump sum which became payable before 11th April 2005 but on or after 12th April 2004 there may be paid an increase of 3.1 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 2004 and the date on which it became payable, divided by 12.

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

(1) 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 11th April 2005, 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.

(2) 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
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
SD 62/03	The Pensions Increase (Annual Review) Order 2003
SD 164/04	The Pensions Increase (Annual Review) Order 2004

MADE 8<sup>th</sup> February

2005



Authorised by the Minister for the Treasury

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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 2000 of Tynwald), which requires the Treasury to increase public service pensions in line with increases in the cost of living. The increase for 2005/06 is 3.1 per cent, reduced proportionately in the case of pensions beginning on or after 11th April 2005.

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## EXPLANATORY NOTE

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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 2000 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 April 2004 the increase is 3.1% per cent. For pensions which began on or after 12 April 2004 the increases are as follows-

<b>PENSIONS BEGINNING</b>	<b>PERCENTAGE INCREASE</b>	<b>PENSIONS BEGINNING</b>	<b>PERCENTAGE INCREASE</b>
12th April 2004 to 26th April 2004	3.10%	27th September 2004 to 26th October 2004	1.55%
27th April 2004 to 26th May 2004	2.84%	27th October 2004 to 26th November 2004	1.29%
27th May 2004 to 26th June 2004	2.58%	27th November 2004 to 26th December 2004	1.03%
27th June 2004 to 26th July 2004	2.33%	27th December 2004 to 26th January 2005	0.78%
27th July 2004 to 26th August 2004	2.07%	27th January 2005 to 26th February 2005	0.52%
27th August 2004 to 26th September 2004	1.81%	27th February 2005 to 26th March 2005	0.26%

Article 4 of the Order provides for increases on certain deferred lump sums which became payable on or after 12th April 2004 but before 11th April 2005.

