



Statutory Document No. 71/06

THE SOCIAL SECURITY PENSIONS ACT 1975

THE PENSIONS INCREASE (ANNUAL REVIEW) ORDER 2006

Coming into operation

10th April 2006

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 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)² as it has effect in the Isle of Man³, 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 2006 and shall come into operation on the 10th April 2006.

2. Interpretation

(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;

"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.

¹ 1992 c.5

² 1975 c.60

³ GC 133/77

⁴ 1974 c.27

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(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 10th April 2006 as follows —

- (a) a pension beginning before 11th April 2005 may be increased by 2.7 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 11th April 2005 and before 10th April 2006 may be increased by 2.7 per cent, multiplied by the number of complete months in the period between the beginning date of the pension and 10th April 2006, 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 10th April 2006 but on or after 11th April 2005 there may be paid an increase of 2.7 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, 11th April 2005 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 10th April 2006, 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
SD 65/05	The Pensions Increase (Annual Review) Order 2005

MADE

8th February

2006



Authorised by the 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 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 11th April 2005 the increase is 2.7 per cent. For pensions which began on or after 11th April 2005 the increases are as follows:-

Pensions Beginning	Pensions Increase
11 th April 2005 to 25 th April 2005	2.70%
26 th April 2005 to 25 th May 2005	2.48%
26 th May 2005 to 25 th June 2005	2.25%
26 th June 2005 to 25 th July 2005	2.03%
26 th July 2005 to 25 th August 2005	1.80%
26 th August 2005 to 25 th September 2005	1.58%
26 th September 2005 to 25 th October 2005	1.35%
26 th October 2005 to 25 th November 2005	1.13%
26 th November 2005 to 25 th December 2005	0.90%
26 th December 2005 to 25 th January 2006	0.68%
26 th January 2006 to 25 th February 2006	0.45%
26 th February 2006 to 25 th March 2006	0.23%

Article 4 of the Order provides for increases on certain deferred lump sums which became payable on or after 11th April 2005 and before 10th April 2006.