



SOCIAL SECURITY LEGISLATION (BENEFITS) (APPLICATION) (NO. 2) ORDER 2015

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Statutory Document No. 2015/0113



Social Security Act 2000

SOCIAL SECURITY LEGISLATION (BENEFITS) (APPLICATION) (NO. 2) ORDER 2015

Approved by Tynwald: 21 April 2015
Coming into Operation: 12 May 2015

The Treasury makes the following Order under section 1(1) to (3), (4)(b) and (5)(c) of the *Social Security Act 2000*.

1 Title

This Order is the Social Security Legislation (Benefits) (Application) (No. 2) Order 2015.

2 Commencement

If approved by Tynwald, this Order comes into operation on 12 May 2015¹.

3 Interpretation

- (1) In this Order “**the applied legislation**” means —
- (a) the Social Security Pensions (Flat Rate Accrual Amount) Order 2015²;
 - (b) the Social Security Pensions (Low Earnings Threshold) Order 2015³; and
 - (c) the Social Security Revaluation of Earnings Factors Order 2015⁴.
- (2) Unless the context otherwise requires or it is expressly provided, a reference in the applied legislation to a provision of any such legislation or of any other legislation applied to the Island by an order under section 1 of the *Pension Schemes Act 1995* or section 1 of the *Social Security Act 2000* shall be construed as a reference to that legislation as it has effect in the Island.

¹ Tynwald approval is required by section 2(1) of the Social Security Act 2000.

² S.I. 2015/185.

³ S.I. 2015/186.

⁴ S.I. 2015/187.

4 Effect

The applied legislation is deemed to have had effect from 6 April 2015.

5 Application to the Island of the applied legislation

- (1) The applied legislation, incorporating the exceptions, adaptations and modifications subject to which it applies to the Island, is set out in the Schedules and applies to the Island as part of the law of the Island.
- (2) The applied legislation mentioned in —
 - (a) article 3(1)(a) is set out in Schedule 1;
 - (b) article 3(1)(b) is set out in Schedule 2; and
 - (c) article 3(1)(c) is set out in Schedule 3.

MADE 11TH MARCH 2015

W E TEARE
Minister for the Treasury

SCHEDULE 1

[Article 5(2)(a)]

This Schedule sets out the text of the Social Security Pensions (Flat Rate Accrual Amount) Order 2015 (S.I. 2015/185) as applied by this Order, with such exceptions, adaptations and modifications made where necessary, which appear in *bold italic* type.

STATUTORY INSTRUMENTS

2015 No. 185

SOCIAL SECURITY

THE SOCIAL SECURITY PENSIONS (FLAT RATE ACCRUAL AMOUNT) ORDER
2015

Made - - - - *9th February 2015*

Laid before Parliament *16th February 2015*

Coming into force - - *6th April 2015*

In accordance with section 148AA(1) (revaluation of flat rate accrual amount) of the Social Security Administration Act 1992, the Secretary of State has reviewed the general level of earnings obtaining in Great Britain.

It appears to the Secretary of State that the general level of earnings has increased during the review period.

The Secretary of State makes the following Order in exercise of the powers conferred by sections 148AA(3) to (6) and 189(1), (4) and (5) of the Social Security Administration Act 1992.

1. Citation [...]

This Order may be cited as the Social Security Pensions (Flat Rate Accrual Amount) Order 2015 [...].

2. Flat Rate Accrual Amount

For the purpose of paragraph 13(2) of Schedule 4B to the Social Security Contributions and Benefits Act 1992⁵, the flat rate accrual amount for the tax year beginning 6th April 2015 and subsequent tax years shall be £93.60.

Signed by the authority of the Secretary of State for Work and Pensions.

⁵ 1992 c.4 (see SD 505/94). Schedule 4B was inserted by paragraph 1 of Schedule 2 to the Pensions Act 2007 (see SD 193/09).

Steve Webb
Minister of State,
Department for Work and Pensions

9th February 2015

SCHEDULE 2

[Article 5(2)(b)]

This Schedule sets out the text of the Social Security Pensions (Low Earnings Threshold) Order 2015 (S.I. 2015/186) as applied by this Order, with such exceptions, adaptations and modifications made where necessary, which appear in *bold italic* type.

STATUTORY INSTRUMENTS

2015 No. 186

SOCIAL SECURITY

THE SOCIAL SECURITY PENSIONS (LOW EARNINGS THRESHOLD) ORDER 2015

<i>Made</i>	-	-	-	-	<i>9th February 2015</i>
<i>Laid before Parliament</i>					<i>16th February 2015</i>
<i>Coming into force</i>	-	-			<i>6th April 2015</i>

In accordance with section 148A(1) (reevaluation of low earnings threshold) of the Social Security Administration Act 1992, the Secretary of State has reviewed the general level of earnings obtaining in Great Britain.

It appears to the Secretary of State that the general level of earnings has increased during the review period.

The Secretary of State makes the following Order in exercise of the powers conferred by sections 148A(3) to (5) and 189(1), (4) and (5) of the Social Security Administration Act 1992.

1. Citation [...]

This Order may be cited as the Social Security Pensions (Low Earnings Threshold) Order 2015 [...].

2. Low earnings threshold

For the purposes of the Social Security Contributions and Benefits Act 1992, it is directed that the low earnings threshold⁶ for the tax years following the tax year 2014-2015 shall be £15,300.

Signed by the authority of the Secretary of State for Work and Pensions.

Steve Webb
Minister of State,

⁶ See section 44A of the Social Security Contributions and Benefits Act 1992 as inserted by section 30(3) of the Child Support, Pensions and Social Security Act 2000 (see SD 378/01).

Department for Work and Pensions

9th February 2015



SCHEDULE 3

[Article 5(2)(c)]

This Schedule sets out the text of the Social Security Revaluation of Earnings Factors Order 2015 (S.I. 2015/187) as applied by this Order, with such exceptions, adaptations and modifications made where necessary, which appear in *bold italic* type.

STATUTORY INSTRUMENTS

2015 No. 187

SOCIAL SECURITY

THE SOCIAL SECURITY REVALUATION OF EARNINGS FACTORS ORDER 2015

Made - - - - - *9th February 2015*

Laid before Parliament *16th February 2015*

Coming into force - - - *6th April 2015*

In accordance with section 148(2) (revaluation of earnings factors) of the Social Security Administration Act 1992, the Secretary of State has reviewed the general level of earnings obtaining in Great Britain.

The Secretary of State has concluded, having regard to earlier orders made under section 148, that earnings factors for the relevant tax years have not, during the period taken into account for that review, maintained their value in relation to the general level of earnings.

The Secretary of State makes the following Order in exercise of the powers conferred by sections 148(3) and (4) and 189(1), (4) and (5) of the Social Security Administration Act 1992.

1. Citation [...]

This Order may be cited as the Social Security Revaluation of Earnings Factors Order 2015 [...].

2. Revaluation of earnings factors

The earnings factors for tax years specified in the Schedule to this Order in so far as they are relevant –

- (a) to the calculation –
 - (i) of the additional pension in the rate of any long-term benefit, or
 - (ii) of any guaranteed minimum pension⁷; or

⁷ Earnings factors for any tax year after 1996-97 are not relevant to the calculation of any guaranteed minimum pension: section 14(8) of the Pension Schemes Act 1993 (see SD 531/95) as amended by paragraph 27(b) of Schedule 5 to the Pensions Act 1995 (see SD 501/97).

- (b) to any other calculation required under Part 3 of the Pension Schemes Act 1993⁸ (including that Part as modified by or under any other enactment),

are directed to be increased for those tax years by the percentage of their amount shown opposite those tax years in that Schedule.

3. Rounding of fractional amounts

Where any earnings factor relevant to the calculation specified in article 2(a)(i) of this Order, as increased in accordance with this Order, would not but for this article be expressed as a whole number of pounds, it shall be so expressed by rounding down any fraction of a pound less than one half and rounding up any other fraction of a pound.

Signed by the authority of the Secretary of State for Work and Pensions.

Steve Webb
Minister of State,
Department for Work and Pensions

9th February 2015

SCHEDULE

Article 2

Percentage increase of earnings factor for specified tax years

<i>Tax year</i>	<i>Percentage increase</i>
1978-1979	754.4
1979-1980	654.1
1980-1981	530.0
1981-1982	427.6
1982-1983	379.2
1983-1984	345.0
1984-1985	312.0
1985-1986	286.5
1986-1987	254.9
1987-1988	230.4
1988-1989	204.0
1989-1990	174.4
1990-1991	155.7
1991-1992	132.2
1992-1993	118.1
1993-1994	107.7
1994-1995	101.4
1995-1996	93.0
1996-1997	87.7

⁸ 1993 c.48



<i>Tax year</i>	<i>Percentage increase</i>
1997-1998	78.8
1998-1999	70.9
1999-2000	64.0
2000-2001	54.3
2001-2002	48.4
2002-2003	42.2
2003-2004	37.3
2004-2005	32.3
2005-2006	27.1
2006-2007	22.9
2007-2008	18.0
2008-2009	13.3
2009-2010	9.9
2010-2011	8.6
2011-2012	6.1
2012-2013	4.3
2013-2014	2.4
2014-2015	1.5

EXPLANATORY NOTE

(This note is not part of the Order)

Section 1 of the Social Security Act 2000 (of Tynwald) enables the Treasury by Order to apply to the Island, as part of the law of the Island and incorporating such exceptions, adaptations and modifications as may be specified by the Order, any legislation to which that section applies.

Section 1 of that Act applies to (inter alia) the Social Security Administration Act 1992 and the Social Security Contributions and Benefits Act 1992 (“the Contributions and Benefits Act”), both Acts of the United Kingdom Parliament, and to any statutory instrument made or having effect as if made under either Act.

This Order applies to the Island three statutory instruments of the United Kingdom Parliament relating to the additional State pension (SERPS and the State Second Pension), the provisions of which are summarised in the following paragraphs. The applied legislation has effect from the same date as it did so in Great Britain.

Social Security Pensions (Flat Rate Accrual Amount) Order 2015 (S.I. 2015/185)

This Order directs that the flat rate accrual amount for the tax year beginning 6th April 2015 shall be £93.60.

The flat rate accrual amount is a flat rate cash amount of additional pension which applies to accruals in the first earnings band under Schedule 4B to the Contributions and Benefits Act. This method of calculation of additional pension applies from the flat rate introduction year, which is the tax year beginning 6 April 2012.

Social Security Pensions (Low Earnings Threshold) Order 2015 (S.I. 2015/186)

The low earnings threshold is the amount by reference to which the surplus earnings bands are determined for the purpose of calculating the state second pension in a state retirement pension.

This Order directs that the low earnings threshold for the tax years following 2014–2015 shall be £15,300. The threshold for the tax year 2014–2015 was directed to be £15,100.

Social Security Revaluation of Earnings Factors Order 2015 (S.I. 2015/187)

This Order directs that the earnings factors relevant to the calculation of the additional pension in the rate of any long-term benefit or of any guaranteed minimum pension, or to any other calculation required under Part 3 of the Pension Schemes Act 1993, are to be increased for the tax years specified in the Schedule to the Order by the percentage of their amount specified in that Schedule.

The percentages specified in this Order for the tax years from and including 2000–2001 are also relevant for the purposes of revaluing state scheme pension debits and credits in accordance with sections 45B(6), 55A(5) and 55B(6) of the Contributions and Benefits Act.

The percentage for the tax year 2014–2015 is 1.5%. The percentages for earlier tax years have been increased so that the earnings factors for those years are revalued at 2014–2015 earnings levels.

This Order also provides for rounding fractional amounts for earnings factors relevant to the calculation of the additional pension in the rate of any long-term benefit. By virtue of section 23(2) of the Contributions and Benefits Act, rounding is not required for the purpose of the calculation of any guaranteed minimum pension.