

Statutory Document No. 2018/0035



*Social Security Administration Act 1992*

## **SOCIAL SECURITY PENSIONS (FLAT RATE ACCRUAL AMOUNT) ORDER 2018**

*Approved by Tynwald: 20<sup>th</sup> February 2018  
Coming into Operation in accordance with article 2*

In accordance with section 148AA(1)<sup>1</sup> (revaluation of flat rate accrual amount) of the Social Security Administration Act 1992<sup>2</sup> (as it has effect in the Island)<sup>3</sup>, the Treasury has reviewed the general level of earnings obtaining in Great Britain.

It appears to the Treasury that the general level of earnings obtaining in Great Britain has increased during the review period.

The Treasury makes the following Order under sections 148AA(3) to (6) and 189(4) and (5) of the Social Security Administration Act 1992 (as it has effect in the Island).

### **1 Title**

This Order is the Social Security Pensions (Flat Rate Accrual Amount) Order 2018.

### **2 Commencement**

If approved by Tynwald, this Order comes into operation on the day after it is approved by Tynwald<sup>4</sup>.

### **3 Flat Rate Accrual Amount**

For the purpose of paragraph 13(2)<sup>5</sup> of Schedule 4B<sup>6</sup> to the Social Security Contributions and Benefits Act 1992<sup>7</sup> (as it has effect in the Island)<sup>8</sup>, the flat rate

<sup>1</sup> Section 148AA inserted by SD 2016/0015.

<sup>2</sup> 1992 c.5.

<sup>3</sup> See SD 506/94.

<sup>4</sup> Under section 190 of the Social Security Administration Act 1992 (as it has effect in the Island), this Order shall not have effect unless it is approved by Tynwald.

<sup>5</sup> Paragraph 13(2) amended by SD 2016/0093.

<sup>6</sup> Schedule 4B inserted by paragraph 1 of Schedule 2 to the Pensions Act 2007 (see SD 193/09).

<sup>7</sup> 1992 c.4.

<sup>8</sup> See SD 505/94.

accrual amount for the tax year beginning 6th April 2018 and subsequent tax years shall be £101.40.

**MADE 25<sup>TH</sup> JANUARY 2018**

**A L CANNAN**  
*Minister for the Treasury*

*EXPLANATORY NOTE**(This note is not part of the Order)*

This Order directs that the flat rate accrual amount for the tax year beginning 6<sup>th</sup> April 2018 shall be £101.40. The flat rate accrual amount for the tax year beginning 6<sup>th</sup> April 2017 was £98.80 under the Social Security Pensions (Flat Rate Accrual Amount) Order 2017 (SD 2017/0079).

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 Social Security Contributions and Benefits Act 1992 (as that Act of the UK Parliament has effect in the Island). This method of calculation of additional pension applies from the flat rate introduction year, which is the tax year beginning 6 April 2012.

This Order is made under section 148AA of the Social Security Administration Act 1992 (as that Act of the United Kingdom Parliament has effect in the Island). For tax years before 2016/17, Flat Rate Accrual Amount Orders were made under section 148AA of the Social Security Administration Act 1992 (as that Act has effect in Great Britain) and applied to the Island by order.

No flat rate accrual amount Orders have been made by the UK Government after the 2015/16 tax year, because since 6 April 2016 people in the UK stopped building up entitlement to the additional state pension and build up entitlement to the UK's new single-tier state pension instead. People in the Island will still build up entitlement to the additional state pension until a new single-tier pension is introduced here.