



PENSIONS INCREASE (ANNUAL REVIEW) ORDER 2019

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Statutory Document No. 2019/0103

*Social Security Pensions Act 1975*

PENSIONS INCREASE (ANNUAL REVIEW) ORDER 2019

Laid before Tynwald: 19th March 2019
Coming into Operation: 8 April 2019

Under section 150 of the Social Security Administration Act 1992 (an Act of Parliament)¹ the Secretary of State for Work and Pensions has conducted a review and concluded that the general level of prices is greater at the end of the period under review than it was at the beginning of that period, and has laid before Parliament the draft of an up-rating order as required by that section.

The Secretary of State for Work and Pension has given a direction under section 151(1) of that Act that the sums mentioned in section 150(1)(c) of that Act are to be increased.

The Treasury makes the following Order under section 59 of the Social Security Pensions Act 1975 (an Act of Parliament)² as it has effect in the Isle of Man³.

1 Title

This Order is the Pensions Increase (Annual Review) Order 2019.

2 Commencement

This Order comes into operation on 8 April 2019.

3 Interpretation

(1) In this Order —

“**the 1974 Act**” means the Pensions (Increase) Act 1974;

“**the basic rate**” and “**derivative pensions**” have the meanings given by section 11 of the 1974 Act;

“**an existing order**” means an order made earlier than this Order is made (or treated as made) under the same enabling powers as this Order and which makes provision corresponding to that made by this Order;

¹ 1992 c.5

² 1975 c.60

³ GC 137/77

“**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; and
“**relevant injury pension**” and “**substituted 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.

4 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 8th April 2019 as follows —

- (a) a pension beginning before 9th April 2018 may be increased by 2.4% of the basic rate as increased under section 1 of the 1974 Act or under an existing order; and
- (b) a pension beginning on or after 9th April 2018 and before 8th April 2019 may be increased by 2.4% multiplied by the number of complete months in the period between the beginning date of the pension and 8th April 2019, divided by 12.

5 Increase in certain lump sums

In respect of any lump sum or instalment of a lump sum which became payable before 8th April 2019 but on or after 9th April 2018 there may be paid an increase of 2.4% of the amount of the lump sum or instalment (as increased under section 1 of the 1974 Act or under existing orders), multiplied by the lump sum or, if later, 9th April 2018 and the date on which it became payable, divided by 12.

6 Reduction in respect of guaranteed minimum pensions

- (1) In the case of a person —
 - (a) who is entitled to a guaranteed minimum pension on 8th April 2019; 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) entitlement to the official pension also arises,

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 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 surviving spouse's pension or a surviving civil partner's pension provided for by this Order is to be calculated shall, where the pensioner becomes entitled on the death of the deceased spouse or civil partner to a guaranteed minimum pension, be reduced in accordance with section 59(5ZA) of the 1975 Act
- (3) In this article, "the 1975 Act" means the Social Security Pensions Act 1975 (an Act of Parliament), as it has effect in the Isle of Man.

MADE 27/02/19

A L CANNAN
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) as it has effect in the Isle of Man), which requires the Treasury to increase public service pensions in line with increases in the cost of living. For pensions which began before 9th April 2018 the increase is 2.4%. For pensions which began on or after 9th April 2018 the increases are as follows —

Pensions Beginning	Pensions Increase
9 th April 2018 to 23 rd April 2018	2.40%
24 th April 2018 to 23 rd May 2018	2.20%
24 th May 2018 to 23 rd June 2018	2.00%
24 th June 2018 to 23 rd July 2018	1.80%
24 th July 2018 to 23 rd August 2018	1.60%
24 th August 2018 to 23 rd September 2018	1.40%
24 th September 2018 to 23 rd October 2018	1.20%
24 th October 2018 to 23 rd November 2018	1.00%
24 th November 2018 to 23 rd December 2018	0.80%
24 th December 2018 to 23 rd January 2019	0.60%
24 th January 2019 to 23 rd February 2019	0.40%
24 th February 2019 to 23 rd March 2019	0.20%

Article 5 of the Order provides for increases on certain lump sums which became payable on or after 9th April 2018 and before 8th April 2019