



SOCIAL SECURITY LEGISLATION (BENEFITS) (APPLICATION) (NO. 4) ORDER 2019

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Statutory Document No. 2019/0189



Social Security Act 2000

SOCIAL SECURITY LEGISLATION (BENEFITS) (APPLICATION) (NO. 4) ORDER 2019

*Approved by Tynwald: 22nd May 2019
Coming into Operation in accordance with article 2*

The Treasury makes the following Order under section 1 of the Social Security Act 2000.

1 Title

This Order is the Social Security Legislation (Benefits) (Application) (No. 4) Order 2019.

2 Commencement

This Order comes into operation on the day after it is approved by Tynwald¹.

3 Interpretation

- (1) In this Order “**the applied legislation**” means the Social Security Revaluation of Earnings Factors Order 2019².
- (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.

4 Effect

The applied legislation is deemed to have had effect from 6 April 2019³.

¹ Under section 2(1) of the Social Security Act 2000 an order under section 1(1) or (6) of that Act shall be laid before Tynwald as soon as may be after it is made and unless it is approved by Tynwald at the sitting at which it is laid or the next following sitting, it ceases to have effect, but without prejudice to anything done under it or the making of a new order.

² S.I. 2019/376.

5 Application to the Island of the applied legislation

The applied legislation, incorporating the exceptions, adaptations and modifications subject to which it applies to the Island, is set out in the Schedule and applies to the Island as part of the law of the Island

MADE 10 APRIL 2019

A L CANNAN
Minister for the Treasury

³ Any provision of an order under section 1(1) of the Social Security Act 2000 may be made retrospective and be deemed to have had effect from such day or days specified in the order, not being earlier than the date from which the corresponding legislation had effect in the United Kingdom.

SCHEDULE

[Article 5]

This Schedule sets out the text of the Social Security Revaluation of Earnings Factors Order 2019 (SI 2019/376) as applied by this Order, with such exceptions, adaptations and modifications made where necessary, which appear in *bold italic* type.

STATUTORY INSTRUMENTS

2019 No. 376

SOCIAL SECURITY

The Social Security Revaluation of Earnings Factors Order 2019

Made - - - - *26th February 2019*

Laid before Parliament - - *4th March 2019*

Coming into force *6th April 2019*

In accordance with section 148(2) of the Social Security Administration Act 1992, the Secretary of State for Work and Pensions 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 of that Act, 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.

Accordingly the Secretary of State makes this Order in exercise of the powers conferred by sections 148(3) and (4) and 189(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 2019 [...].

2. Revaluation of earnings factors

Earnings factors for the tax years specified in the Schedule to this Order in so far as they are relevant-

(a) to the calculation of-

(i) the additional pension in the rate of any long-term benefit; or

- (ii) any guaranteed minimum pension⁴; or
- (b) to any other calculation required under Part 3 of the Pension Schemes Act 1993⁵ (including that Part as modified by or under any other enactment),

are directed to be increased 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), as increased in accordance with this Order, would not but for this article be expressed as a whole number of pounds, it is to 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 authority of the Secretary of State for Work and Pensions

Guy Opperman
Parliamentary Under Secretary of State
Department for Work and Pensions

26th February 2019

⁴ Earnings factors for any year after 1996-1997 are not relevant to the calculation of any guaranteed minimum pension: section 14(8) of the Pension Schemes Act 1993 as amended by paragraph 27(b) of Schedule 5 to the Pensions Act 1995 (see SD 501/97).

⁵ 1993 c. 48. (see SD 531/95).

SCHEDULE

Percentage increase of earnings factors for specified tax years

Article 2

<i>Tax year</i>	<i>Percentage increase</i>
1978-1979	846.7
1979-1980	735.6
1980-1981	598.1
1981-1982	484.6
1982-1983	431.0
1983-1984	393.1
1984-1985	356.5
1985-1986	328.3
1986-1987	293.3
1987-1988	266.2
1988-1989	236.9
1989-1990	204.0
1990-1991	183.3
1991-1992	157.3
1992-1993	141.6
1993-1994	130.1
1994-1995	123.2
1995-1996	113.8
1996-1997	108.0
1997-1998	98.1
1998-1999	89.4
1999-2000	81.7
2000-2001	71.0
2001-2002	64.4
2002-2003	57.6
2003-2004	52.1
2004-2005	46.6
2005-2006	40.8
2006-2007	36.2
2007-2008	30.8

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2008-2009	25.5
2009-2010	21.8
2010-2011	20.3
2011-2012	17.6
2012-2013	15.5
2013-2014	13.5
2014-2015	12.5
2015-2016	10.8
2016-2017	8.6
2017-2018	5.9
2018-2019	2.8



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 to any statutory instrument made or having effect as if made under that Act of the UK Parliament.

This Order applies to the Island the legislation referred to in article 3(1) of the Order, the provisions of which are summarised in the following paragraphs. The applied legislation relates to the revaluation of earnings factors used in calculating additional pension in the rate of long term benefits or of any guaranteed minimum pension, or to any other calculation required under Part 3 of the Pension Schemes Act 1993 (as that Act of the UK Parliament has effect in the Island). The applied legislation is deemed to have come into operation on 6 April 2019, the same day as the corresponding provisions came into operation in Great Britain.

The Social Security Revaluation of Earnings Factors Order 2019 (S.I. 2019/376)

This Order applies to the earnings factors relevant to the calculation of additional pension in 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 (as it has effect in the Island). The Order provides that these earnings factors 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 used in the revaluing of state scheme pension debits and credits in accordance with sections 45B(6), 55A(5) and 55B(6) of the Social Security Contributions and Benefits Act 1992 (as that Act of the UK Parliament has effect in the Island).

The percentage specified for the tax year 2018/2019 is 2.8%. The percentages for earlier tax years have been increased so that the earnings factors for those years are revalued at 2018/2019 earning 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 Social Security Contributions and Benefits Act 1992 (as it has effect in the Island), rounding is not required for the purpose of the calculation of any guaranteed minimum pension.