



# PENSIONS INCREASE (ANNUAL REVIEW) ORDER 2013

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Statutory Document No. 0048/13



*Social Security Pensions Act 1975*

## **PENSIONS INCREASE (ANNUAL REVIEW) ORDER 2013**

*Laid before Tynwald:* 19 March 2013  
*Coming into Operation:* 8 April 2013

Under section 150 of the Social Security Administration Act 1992<sup>1</sup> (an Act of Parliament) 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. Accordingly the Treasury makes the following Order under section 59 of Social Security Pensions Act 1975 (an Act of Parliament)<sup>2</sup> as it has effect in the Isle of Man<sup>3</sup>.

### **1 Title**

This Order is the Pensions Increase (Annual Review) Order 2013.

### **2 Commencement**

This Order comes into operation on 8 April 2013.

### **3 Interpretation**

(1) In this Order —

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

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

<sup>1</sup> 1992 c.5

<sup>2</sup> 1975 c.60

<sup>3</sup> GC 137/77

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

“**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.

- (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 2013 as follows —

- (a) a pension beginning before 9th April 2012 may be increased by 2.2% of the basic rate as increased under section 1 of the 1974 Act or under an existing Order;
- (b) a pension beginning on or after 9th April 2012 and before 8th April 2013 may be increased by 2.2%, multiplied by the number of complete months in the period between the beginning date of the pension and 8th April 2013, 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 2013 but on or after 9th April 2012 there may be paid an increase of 2.2% 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, 9th April 2012 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 2013, 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,  
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 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.
  - (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 13<sup>th</sup> February 2013

**W E TEARE**  
*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), 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 2012 the increase is 2.2%. For pensions which began on or after 9th April 2012 the increases are as follows —

<b>Pensions Beginning</b>	<b>Pensions Increase</b>
9th April 2012 to 23rd April 2012	2.20%
24th April 2012 to 23rd May 2012	2.02%
24th May 2012 to 23rd June 2012	1.83%
24th June 2012 to 23rd July 2012	1.65%
24th July 2012 to 23rd August 2012	1.47%
24th August 2012 to 23rd September 2012	1.28%
24th September 2012 to 23rd October 2012	1.10%
24th October 2012 to 23rd November 2012	0.92%
24th November 2012 to 23rd December 2012	0.73%
24th December 2012 to 23rd January 2013	0.55%
24th January 2013 to 23rd February 2013	0.37%
24th February 2013 to 23rd March 2013	0.18%

Article 5 of the Order provides for increases on certain deferred lump sums which became payable on or after 9th April 2012 and before 8th April 2013.