

**2020 No. 193**

**SOCIAL SECURITY**

**The Social Security Revaluation of Earnings Factors Order 2020**

*Made* - - - - 26th February 2020

*Laid before Parliament* 5th March 2020

*Coming into force* - - 6th April 2020

In accordance with section 148(2) of the Social Security Administration Act 1992(a), 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(b) of that Act, that earnings factors(c) 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(d).

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- (a) 1992 c. 5. Section 148 was amended by paragraph 27 of Schedule 8 to the Pension Schemes Act 1993 (c. 48) and by section 37 of the Child Support, Pensions and Social Security Act 2000 (c. 19).
- (b) Section 148(7)(b) of the Social Security Administration Act 1992 (c. 5) “the Administration Act” provides that orders under section 21 (revaluation of earnings factors) of the Social Security Pensions Act 1975 (c. 60) are to be treated as orders under section 148. The earlier orders are therefore S.I. 1979/832, 1980/728, 1981/598, 1982/607, 1983/655, 1984/581, 1985/688, 1986/809, 1987/861, 1988/867, 1989/805, 1990/1412, 1991/1108, 1992/1102, 1993/1159, 1994/1105, 1995/1070, 1996/1133, 1997/1117, 1998/1137, 1999/1235, 2000/1365, 2001/631, 2002/519, 2003/517, 2004/262, 2005/216, 2006/496, 2007/781, 2008/730, 2009/608, 2010/470, 2011/475, 2012/187, 2013/527, 2014/367, 2015/187, 2016/205, 2017/287, 2018/271 and 2019/376.
- (c) See in respect of additional pensions sections 22 and 23 of the Social Security Contributions and Benefits Act 1992 (c. 4) “the Contributions and Benefits Act”. Section 22 was amended by paragraph 22 of Schedule 2 to the Jobseekers Act 1995 (c. 18), paragraph 61 of Schedule 7 to the Social Security Act 1998 (c. 14), section 30(1) of the Child Support, Pensions and Social Security Act 2000, paragraph 7 of Schedule 1 to the National Insurance Contributions Act 2002 (c. 19), paragraph 9(3) and (4) of Schedule 3 to the Welfare Reform Act 2007 (c. 5), section 12(1) of, and paragraphs 9 and 33 of Schedule 1 to, the Pensions Act 2007 (c. 22), section 3(2) of, and paragraph 2 of Schedule 1 to, the National Insurance Contributions Act 2008 (c. 16) and paragraph 6 of Schedule 12, and paragraph 5 of Schedule 16, to the Pensions Act 2014 (c. 19). Section 23 was amended by paragraph 36 of Schedule 8 to the Pension Schemes Act 1993, section 134(1) of the Pensions Act 1995 (c. 26), paragraph 8 of Schedule 1 to the National Insurance Contributions Act 2002 and paragraph 3(2) and (3) of Schedule 1 to the National Insurance Contributions Act 2008. See also in respect of guaranteed minimum pensions section 14 of the Pension Schemes Act 1993, as amended by paragraph 27 of Schedule 5, and Part 3 of Schedule 7, to the Pensions Act 1995, paragraph 38 of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), paragraph 22(1) and (3) of Schedule 11 to the Proceeds of Crime Act 2002 (c. 29) and paragraphs 1 and 15 of Schedule 13 to the Pensions Act 2014. See also paragraphs 4(2), 8(4) and 9(4) of Schedule 4B to the Contributions and Benefits Act under which flat rate accrual amounts of additional state pension are to be increased by reference to the percentage figure specified for 2015-2016 in orders under section 148 of the Administration Act. See also paragraph 2(6) of each of Schedules 8 and 10 to the Pensions Act 2014 under which old scheme state pension debits and credits are to be increased by reference to percentage figures specified in orders under section 148 of the Administration Act.
- (d) Relevant amendments to section 189 of the Administration Act are made by paragraph 109 of Schedule 7 and Schedule 8 to the Social Security Act 1998 and S.I. 2013/252.

Accruals of guaranteed minimum pensions ended on 6th April 1997 by virtue of section 14(8) of the 1993 Act. Revaluation of earnings factors is still required for guaranteed minimum pensions which are not yet in payment.

Article 3 of this Order 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 calculating guaranteed minimum pensions.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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