

Statutory Document No. 2019/0069



Social Security Administration Act 1992

THE SOCIAL SECURITY (RECIPROCAL AGREEMENT) (UNITED KINGDOM) (AMENDMENT) ORDER 2019

*Approved by Tynwald: 20th March 2019
Coming into Operation in accordance with article 2*

The Governor in Council makes the following Order under section 179(1)(a), (2), (3), and (5) of the Social Security Administration Act 1992 (of Parliament) as that Act has effect in the Isle of Man¹.

1 Title

This Order is The Social Security (Reciprocal Agreement) (United Kingdom) (Amendment) Order 2019.

2 Commencement

If approved by Tynwald², this Order comes into operation immediately after it is approved by Tynwald, and has effect in relation to the tax year beginning with 6 April 2019 and any subsequent tax year.

3 Modification of legislation

The Social Security Administration Act 1992, the Social Security Contributions and Benefits Act 1992³, and Part 1 of the Pensions Act 2014⁴ (Acts of Parliament), as they have effect in the Isle of Man, and statutory documents made under those Acts or that Part, shall be modified to such extent as may be required to give effect to the alterations made to The Social Security (Reciprocal Agreement) (United Kingdom) Order 2016⁵ as set out in the Schedule.

¹ The Social Security Administration Act 1992 is applied to the Island by the Social Security Administration Act 1992 (Application) Order 1994 (SD 506/94)

² Tynwald approval is required by section 190 of the Social Security Administration Act 1992 (of Parliament) as it is applied to the Island

³ The Social Security Contributions and Benefits Act 1992 is applied to the Island by the Social Security Contributions and Benefits Act 1992 (Application) Order 1994 (SD 505/94)

⁴ Part 1 of the Pensions Act 2014 is applied to the Island by the Pensions Act 2014 (Application) Order 2018 (SD 2018/0076)

⁵ SD 2016/0063

MADE 18TH FEBRUARY 2019

W GREENHOW
Chief Secretary

SCHEDULE

Article 3

AMENDMENTS TO THE EXISTING AGREEMENT

1. The Reciprocal Agreement relating to state pension and retirement pension between the Secretary of State for Work and Pensions and the Department for Social Development in Northern Ireland of the one part, and the Minister for the Treasury of the Isle of Man of the other part, as set out in the Schedule to The Social Security (Reciprocal Agreement) (United Kingdom) Order 2016(a) is amended as follows.

2. In the heading, for “SOCIAL DEVELOPMENT” substitute “COMMUNITIES”.

3. In Article 1 (interpretation), in paragraph (1), after the definition of “the Isle of Man Contributions and Benefits Act” insert—

“the Isle of Man Pensions Act” means Part 1 of the Pensions Act 2014(b) as it applies in the Isle of Man from time to time by virtue of the Pensions Act 2014 (Application) Order 2018 (S.D. 2018/0076);”.

4. In Article 2 (application of agreement), after “Pensions Acts” insert “or the Isle of Man Pensions Act”.

5. In Article 3, after “on or after 6th April 2016”, insert “but before 6th April 2019”.

6. In Article 4, after “on or after that date” insert “but before 6th April 2019”.

7. After Article 4 insert—

“4A. The 1977 Agreement shall not apply and this Agreement shall apply to a person who reaches pensionable age on or after 6th April 2019 for the purposes of claims for and determining entitlement to a Manx state pension under the Isle of Man Pensions Act.”.

8. For the heading for Article 5 (provisions applying to the United Kingdom) substitute—

“Minimum number of qualifying years and rate of pension payable”.

9. After Article 5 insert—

“5A. Subject to Articles 7 and 8, in the case of a person to whom Article 2 applies—

- (a) for the purpose of determining only whether a person has at least the minimum number of qualifying years for a Manx state pension to be payable under section 2 or 4 of the Isle of Man Pensions Act, any tax year for which that person’s earnings factor is sufficient to satisfy paragraph 5A(2)(b) of Schedule 3 to the Social Security Contributions and Benefits Act 1992(c) or paragraph 5A(2)(b) of Schedule 3 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992 shall be taken into account in the Isle of Man; and
- (b) the rate at which a Manx state pension is payable to a person under section 2 or 4 of the Isle of Man Pensions Act is to be determined by reference only to the number of qualifying years under section 2 or 4 of that Act.”.

(a) S.D. 2016/0063

(b) Part 1 was applied to the Island by S.D. 2018/0076

(c) Paragraph 5A was inserted by section 1(3) of the Pensions Act 2007 (c. 22) and modified by S.I. 2016/157

10. After Article 10 (movement between territories) insert—

“**10A.** A person to whom this Agreement applies, who is entitled to a Manx state pension under the Isle of Man Pensions Act, shall be entitled to receive any increase in the rate of that pension, while that person is in the territory of the United Kingdom, as if that person were in the territory of the Isle of Man.”.

11. In Articles 13 and 14 (general provisions), for “Social Development” substitute “Communities”.

Given under the Official Seal of the Secretary of State for Work and Pensions this 3rd day of December 2018.

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

Given under the Official Seal of the Department for Communities in Northern Ireland this 3rd day of December 2018.

Anne McCleary
A senior officer of the Department for Communities in Northern Ireland
Department for Communities in Northern Ireland

Given under the hand of the Minister for the Treasury of the Isle of Man this 3rd day of December 2018.

Hon AL Cannan MHK
Minister for the Treasury of the Isle of Man

EXPLANATORY NOTE

(This note is not part of the Order)

Part 1 of the Pensions Act 2014 (of Parliament) as it is applied to the Island, creates a new benefit called Manx state pension to which people reaching pensionable age on or after 6th April 2019 may be entitled.

The Social Security (Reciprocal Agreement) (United Kingdom) Order 2016 (SD 2016/0063) provides for a degree of reciprocity between the Isle of Man and the United Kingdom in regard to state pension matters.

This Order amends the Reciprocal Agreement set out in the Schedule to The Social Security (Reciprocal Agreement) (United Kingdom) Order 2016. The amendments are necessary because the Manx state pension is being introduced from 6th April 2019 and the amendments are required to reflect the change in the law.