

EXPLANATORY MEMORANDUM TO THE
SOCIAL SECURITY (GRADUATED RETIREMENT BENEFIT)
(AMENDMENT) REGULATIONS 2005

2005 No.846

1. This Explanatory Memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

This Memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Description**

- 2.1 These Regulations correct a defect in the Social Security (Graduated Retirement Benefit) Regulations 2005 (S.I.2005/454).

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

- 3.1 These Regulations need to come into force on 5th April 2005 in order to ensure the correction to the Regulations which they amend is made before those Regulations take effect. The Department for Work and Pensions regrets that they will therefore breach the 21-day rule, as the drafting error which these Regulations rectify was unfortunately not identified in time to avoid this.

4. **Legislative Background**

- 4.1 This Instrument is made solely as a consequence of a defect in the Social Security (Graduated Retirement Benefit) Regulations 2005 (“the principal Regulations”). Regulation 2 amends regulation 1(2) of the principal Regulations (which relates to when certain provisions in those Regulations come into effect) in order to replace erroneous cross-references in that regulation to paragraphs 3(2) and (3)” and 13(2) and (3) of Schedule 1 to those Regulations, with cross- references to paragraphs 4(2) and (3) and 14(2) and (3) of that Schedule.

5. **Extent**

- 5.1 This instrument applies to Great Britain. Equivalent provision will be made for Northern Ireland by statutory rules.

6. European Convention on Human Rights

Not applicable

7. Policy background

7.1 The Graduated Retirement Benefit (GRB) scheme was introduced in 1959 and provided the first earnings-related addition to State Pension. The scheme was wound up in 1975 and replaced by the State Earnings Related Pension Scheme (SERPS) from 1978. Entitlement to GRB is based on graduated National Insurance contributions paid between April 1961 and April 1975.

7.2 Since 1979, the arrangements for people who defer their GRB have mirrored those which apply to State Pension generally. The principal Regulations maintain that principle in relation to the changes to those arrangements made by the Pensions Act 2004 (c.35) and underpinning secondary legislation.

7.3 The proposals contained in these regulations have been circulated to the Social Security Advisory Committee. The Committee is content with the proposals and has agreed not to consult on them.

8. Impact

8.1 A Regulatory Impact assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

8.2 The instrument has no impact on the Public Sector.

9. Contact

Harry Cunniffe at the Department for Work and Pensions can answer any queries regarding the instrument. Tel: 020 7712 22491 or e-mail: Harry.Cunniffe@dwp.gsi.gov.uk.