

SCHEDULES

SCHEDULE 4

ABOLITION OF CONTRACTING-OUT FOR DEFINED CONTRIBUTION PENSION SCHEMES

PART 2

FURTHER AMENDMENTS

The Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7)

41.—(1) Section 4C of the Contributions and Benefits Act (power to make provision in consequence of provision made by or by virtue of section 4B(2) etc.) is amended as follows.

(2) In subsection (2) (purposes for which regulations may be made) omit paragraph (d) (purposes relating to minimum payments).

(3) In subsection (5) (matters in respect of which regulations may have retrospective effect)—

- (a) in paragraph (b) (amount of rebate under section 37(1D) or 38A(2C) of the Pension Schemes Act) omit “or 38A(2C)”;
- (b) omit paragraphs (g) and (h) (liability to make, and amount of, minimum payments);
- (c) omit paragraphs (i) and (j) (liability to make, and amount of, payments under section 38A(3) of that Act or minimum contributions).

42. In section 8 of the Contributions and Benefits Act (calculation of primary Class 1 contributions) in subsection (3) (provisions to which calculation is subject) in paragraph (c) for “sections 37 and 38A” substitute “section 37”.

43. In section 9 of the Contributions and Benefits Act (calculation of secondary Class 1 contributions) in subsection (3) (provisions to which calculation is subject) in paragraph (c) for “sections 37 and 38A” substitute “section 37”.

44.—(1) In Schedule 1 to the Contributions and Benefits Act (supplementary provisions relating to contributions of Classes 1, 1A, 1B, 2 and 3) paragraph 1 (Class 1 contributions where earner is in more than one employment) is amended as follows.

(2) In sub-paragraph (3) (determination of amount of primary Class 1 contributions where aggregate earnings include earnings from contracted-out employment)—

- (a) omit paragraphs (a) and (b);
- (b) in paragraph (c) for sub-paragraphs (i) and (ii) substitute “to such part of the aggregated earnings attributable to COSRS service as exceeds the current primary threshold and does not exceed the current upper earnings limit”;
- (c) in paragraph (d) for “part or parts attributable to COMPS or COSRS service” substitute “part attributable to COSRS service”.

(3) In sub-paragraph (6) (determination of amount of secondary Class 1 contributions where aggregate earnings include earnings from contracted-out employment) omit paragraphs (a) and (b).

(4) In sub-paragraph (9) (interpretation) omit the definition of “COMPS service”.

The Pension Schemes (Northern Ireland) Act 1993 (c. 49)

45. The Pension Schemes Act has effect subject to the following amendments.

46. In section 4 (meaning of, among other things, “minimum payment”) omit subsection (3) (regulations may make provision about manner in which minimum payments to be made etc.).

47. In section 16 (transfer of accrued rights) in subsection (3) (regulations may provide for certain provisions to have effect subject to modifications) omit “and 39 to 41.”.

48. Omit section 27 (investment and resources of schemes).

49. In section 36 (scope of Chapter 2 of Part 3) omit paragraph (b) (which relates to contributions to be paid by HMRC in respect of members of money purchase contracted-out schemes or of appropriate personal pension schemes).

50. Omit section 38A (reduced rates of contributions, and rebates, for members of money purchase contracted-out schemes etc.).

51. Omit section 39 (payment of minimum contributions to personal pension schemes).

52. Omit section 41 (amount of minimum contributions).

53. Omit section 41B (money purchase and personal pension schemes: verification of ages).

54. In section 46 (powers of HMRC to approve arrangements for scheme ceasing to be certified) in subsection (4) (regulations may provide for various provisions of the Act to have effect with modifications where arrangements are approved) for “, 21A to 29 and 39 to 41” substitute “and 21A to 29”.

55. In section 160 (Crown employment) in subsection (2) (employees of Crown to be treated as employed earners for certain purposes) in paragraph (b) omit “, 39 and 41”.

56.—(1) Section 172 (general financial arrangements) is amended as follows.

(2) In subsection (1) (amounts to be paid out of the National Insurance Fund)—

(a) in paragraph (za) (payments by HMRC under various provisions) omit “or section 38A(2C) or (3)”;

(b) omit paragraph (a) (minimum contributions paid by HMRC under section 39).

(3) In subsection (7) (amounts to be paid into National Insurance Fund) in paragraph (a) omit “, 38A(2D) or (5) or 39(5) or (6)”.

57.—(1) Section 176 (interpretation) is amended as follows.

(2) In subsection (1) omit the definition of “minimum contributions”.

(3) In subsection (4) (regulations may prescribe the persons who are to be regarded as members or prospective members of an occupational scheme etc.) omit “, 39”.

58.—(1) Schedule 1 (certification regulations) is amended as follows.

(2) In Part 1 (occupational pension schemes) in paragraph 4 (regulations may modify certain provisions of Part 3 in cases where person employed in two or more employments) in sub-paragraph (1) for “and 64” substitute “, 63 and 64”.

(3) In paragraph 5 (state scheme premiums) in sub-paragraph (1) (regulations may require provision of information to HMRC for purpose of certain provisions) for the words from “sections 33” to the end substitute “sections 33, 34, 46 to 59 and 155(1) to (3) and (6) (except as they apply to personal pension schemes, the members of such schemes or rights in respect of them).”.

(4) In paragraph 6 (schemes covering different employers) in sub-paragraph (1) (regulations may modify certain provisions in cases where earner under different employers qualifies for benefits of same occupational pension scheme) for “, and 64” substitute “, 63 and 64”.

59.—(1) Paragraph 2 of Schedule 3 (priority in bankruptcy, etc.: employer’s contributions to occupational pension scheme) is amended as follows.

(2) Omit sub-paragraphs (2) and (3) (sums owed on account of employer’s minimum payments to a money purchase contracted-out scheme).

(3) In sub-paragraph (3A) (definition of “the appropriate amount”)—

(a) in the opening words omit “or (3)”;

(b) in paragraph (a) omit “or (2) (as the case may be)”.

- (4) In sub-paragraph (5) (interpretation)—
- (a) omit the definition of “appropriate flat-rate percentage”;
 - (b) for the definition of “the percentage for contributing earners” substitute—
““the percentage for contributing earners” means 3 per cent.”;
 - (c) for the definition of “the percentage for non-contributing earners” substitute—
““the percentage for non-contributing earners” means 4.8 per cent.”.