

SCHEDULES

SCHEDULE 8

Section 75.

EARNINGS FACTORS

Social Security Act 1975 (c. 14)

- 1 The Social Security Act 1975 shall be amended as follows.
- 2 (1) In subsection (2) of section 13 (contribution conditions and the earnings factor) for the words from "from" to "above" there shall be substituted the words "in respect of each tax year from those of his earnings upon which primary Class 1 contributions have been paid or treated as paid and from Class 2 and Class 3 contributions".
- (2) In subsection (3) of that section, for the words from " primary " to the end there shall be substituted the words " earnings upon which primary Class 1 contributions are paid at the reduced rate " .
- (3) In subsection (4), for the words " contributions of any class " there shall be substituted the words " earnings or Class 2 or Class 3 contributions " .
- (4) In subsection (5)—
 - (a) for the word " contributions ", in the first place where it occurs, there shall be substituted the words " earnings or Class 2 or Class 3 contributions " ;
 - (b) paragraph (a) shall be omitted ; and
 - (c) few the words from " shall be derived " to the end of the subsection there shall be substituted the words "may be derived—
 - (i) from earnings upon which primary Class 1 contributions have been paid or treated as paid ;
 - (ii) from earnings which have been credited ;
 - (iii) from contributions of different classes paid or credited in the same tax year;
 - (iv) by any combination of the methods mentioned in sub-paragraphs (i) to (iii) above."
- (5) The following subsection shall be inserted after subsection (5A)—

“(5B) Regulations may provide for requiring persons to maintain, in such form and manner as may be prescribed, records of such earnings paid by them as are relevant for the purpose of calculating earnings factors, and to retain such records for so long as may be prescribed.”.
- (6) In subsection (6)(c)—
 - (a) for the words " person's contribution of any class or classes " there shall be substituted the word " person " ;
 - (b) for the words " those contributions" there shall be substituted the words " his earnings upon which primary Class 1 contributions have been paid or treated as paid and from his Class 2 and Class 3 contributions " .

Status: This is the original version (as it was originally enacted).

- 3 (1) The following paragraph shall be substituted for sub-paragraph (2)(b) of paragraph 1 (unemployment and sickness benefit) of Schedule 3 (contribution conditions)—
- “(b) the earnings factor derived—
- (i) in the case of unemployment benefit, from earnings upon which primary Class 1 contributions have been paid or treated as paid; and
- (ii) in the case of sickness benefit, from such earnings or from Class 2 contributions,
- must be not less than that year's lower earnings limit multiplied by 25.”.
- (2) In sub-paragraph (3)(a) of that paragraph, after the word " class " there shall be inserted the words " or been credited with earnings ".
- (3) The following paragraph shall be substituted for sub-paragraph (3)(b)—
- “(b) the earnings factor derived—
- (i) in the case of unemployment benefit, from earnings upon which primary Class 1 contributions have been paid or treated as paid or from earnings credited ; and
- (ii) in the case of sickness benefit, from such earnings or from Class 2 contributions,
- must be not less than that year's lower earnings limit multiplied by 50.”.
- (4) In sub-paragraph (1)(b) of paragraph 4 of that Schedule for the words " those contributions " there shall be substituted the words " earnings upon which primary Class 1 contributions have been paid or treated as paid and from Class 2 and Class 3 contributions ".
- (5) In sub-paragraph (2)(b) of paragraph 5 of that Schedule (widowed mother's allowance, widow's pension and retirement pensions) for the words " those contributions " there shall be substituted the words " earnings upon which such of those contributions as are primary Class 1 contributions were paid or treated as paid and any Class 2 or Class 3 contributions ".
- (6) The following paragraph shall be substituted for sub-paragraph (3)(b) of that paragraph—
- “(b) in the case of each of those years, the earnings factor derived from—
- (i) any earnings upon which such of those contributions as are primary Class 1 contributions were paid or treated as paid or earnings credited ; and
- (ii) any Class 2 or Class 3 contributions for the year, must be not less than the qualifying earnings factor for the year.”.
- (7) In paragraph 8(3) (satisfaction of certain contribution conditions in early years of contribution) for the words " his contributions of a relevant class " there shall be substituted the words " the aggregate of his earnings upon which primary Class 1 contributions were paid or treated as paid and from Class 2 contributions ".

Social Security Pensions Act 1975 (c. 60)

- 4 The Social Security Pensions Act 1975 shall be amended as follows.

Status: This is the original version (as it was originally enacted).

- 5 In subsection (4) of section 3 (married women and widows) for the words from " contributions " to " rate " there shall be substituted the words " earnings upon which primary Class 1 contributions are paid at a reduced rate by virtue of regulations under subsection (2) above or from Class 2 contributions paid at a reduced rate by virtue of such regulations ".
- 6 In subsection (1) of section 5 of that Act (voluntary contributions) after the word " from " there shall be inserted the words " earnings upon which Class 1 contributions have been paid or treated as paid or from Class 2 ".
- 7 (1) In section 6 (rate of Category A retirement pension)—
- (a) in subsection (5), for the words " contributions actually paid by him in respect of that year " there shall be substituted the words " earnings upon which primary Class 1 contributions were paid or treated as paid in respect of that year and earnings factors derived from Class 2 and Class 3 contributions actually paid in respect of it " ; and
 - (b) subsection (5A) shall be omitted.
- 8 (1) In subsection (2) of section 35 (earner's guaranteed minimum) for the words " contributions paid in respect of such earnings as are mentioned in subsection (1) above " there shall be substituted the words " earnings such as are mentioned in subsection (1) above upon which primary Class 1 contributions have been paid or treated as paid ".
- 9 Section 43(1A) and section 47(2A) shall not apply to any period after the end of the tax year 1986-87.
- 10 In subsection (3)(b) of section 45 (premium where guaranteed minimum pension excluded from full revaluation) for the word " contributions ", in the first place where it occurs, there shall be substituted the words " earnings upon which primary Class 1 contributions have been paid or treated as paid ".

Social Security (Miscellaneous Provisions) Act 1977 (c. 5)

- 11 In subsection (1)(b) of section 21 of the Social Security (Miscellaneous Provisions) Act 1977 (calculation of guaranteed minimum pensions preserved under approved arrangements) after the word " contributions ", in the first place where it occurs, there shall be inserted the words " or earnings ".