

## SCHEDULES

### SCHEDULE 7

#### MINOR AND CONSEQUENTIAL AMENDMENTS

##### *Pension Schemes Act 1993 (c. 48)*

- 126 In subsection (2) of section 8 of the Pension Schemes Act 1993 (meaning of “minimum payment” etc.), for the words “section 42A(2)” there shall be substituted the words “section 42A”.
- 127 For subsections (1) and (1A) of section 41 of that Act (reduced rates of Class 1 contributions) there shall be substituted the following subsections—
- “(1) Subsections (1A) to (1C) apply where—
- (a) the earnings paid to or for the benefit of an earner in any tax week are in respect of an employment which is contracted-out employment at the time of the payment, and
  - (b) the earner’s service in the employment is service which qualifies him for a pension provided by a salary related contracted-out scheme;
- and in subsections (1A) and (1B) “the relevant part”, in relation to those earnings, means so much of those earnings as exceeds the current lower earnings limit but not the current upper earnings limit for that week (or the prescribed equivalents if the earner is paid otherwise than weekly).
- (1A) The amount of the primary Class 1 contribution in respect of the relevant part of those earnings (“amount A”) shall be reduced by an amount equal to 1.6 per cent of that part.
- (1B) The amount of any secondary Class 1 contribution in respect of the earnings (“amount B”) shall be reduced by an amount equal to 3 per cent of the relevant part of those earnings (“amount C”).
- (1C) Where amount C exceeds amount B, the excess shall be set off against the amount which the secondary contributor is liable to pay (under paragraph 3 of Schedule 1 to the Social Security Contributions and Benefits Act 1992) in respect of amount A.”
- 128 For subsections (1) and (2) of section 42A of that Act (reduced rates of Class 1 contributions, and rebates) there shall be substituted the following subsections—
- “(1) Subsections (2) to (3) apply where—
- (a) the earnings paid to or for the benefit of an earner in any tax week are in respect of an employment which is contracted-out employment at the time of the payment, and
  - (b) the earner’s service in the employment is service which qualifies him for a pension provided by a money purchase contracted-out scheme;

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and in subsections (2) and (2A) “the relevant part”, in relation to those earnings, means so much of those earnings as exceeds the current lower earnings limit but not the current upper earnings limit for that week (or the prescribed equivalents if the earner is paid otherwise than weekly).

(2) The amount of the primary Class 1 contribution in respect of the relevant part of those earnings (“amount A”) shall be reduced by an amount equal to the appropriate flat-rate percentage of that part.

(2A) The amount of any secondary Class 1 contribution in respect of the earnings (“amount B”) shall be reduced by an amount equal to the appropriate flat-rate percentage of the relevant part of those earnings (“amount C”).

(2B) Where amount C exceeds amount B, the excess shall be set off against the amount which the secondary contributor is liable to pay (under paragraph 3 of Schedule 1 to the Social Security Contributions and Benefits Act 1992) in respect of amount A.”

129 In subsection (6)(c) of section 158 of that Act (disclosure of information between government departments etc.), for the words “sections 17 to 62 of the Social Security Administration Act 1992” there shall be substituted the words “Chapter II of Part I of the Social Security Act 1998”.

130 (1) In subsection (3) of section 167 of that Act (application of general provisions relating to administration of social security), for the words “Section 58 of that Act (regulations as to determination of questions and matters arising out of, or pending, reviews and appeals)” there shall be substituted the words “Section 11 of the Social Security Act 1998 (regulations with respect to decisions)”.

(2) Subsection (4) of that section shall cease to have effect.

131 For section 170 of that Act there shall be substituted the following section—

**“170 Decisions and appeals**

(1) Section 2 (use of computers) of the Social Security Act 1998 (“the 1998 Act”) applies as if, for the purposes of subsection (1) of that section, this Act were a relevant enactment.

(2) Sections 8, 9 and 10 of the 1998 Act (decisions by the Secretary of State, revision of decisions and decisions superseding earlier decisions) apply as if, for the purposes of section 8(1)(c) of that Act, this Act were a relevant enactment.

(3) Regulations may make provision—

(a) with respect to the procedure to be adopted on any application made under section 9 or 10 of the 1998 Act by virtue of subsection (2); and

(b) generally with respect to such applications, and revisions under section 9 and decisions under section 10,

but may not prevent such a revision or decision being made without such an application.

(4) Section 12 of the 1998 Act (appeal to appeal tribunal) applies as if, for the purposes of subsection (1)(b) of that section, any decision of the Secretary of State falling to be made under this Act were a decision falling within Schedule 3 to that Act.”

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- 132 (1) In subsection (1) of section 171 of that Act (questions arising in proceedings), for the words from “any such question” to “Secretary of State” there shall be substituted the words “any decision such as is mentioned in section 170(2) is made by the Secretary of State, the decision”.
- (2) For subsections (2) and (3) of that section there shall be substituted the following subsections—
- “*(2)* If—
- (a) any such decision is necessary for the determination of the proceedings; and
  - (b) the decision of the Secretary of State has not been obtained or an application with respect to the decision has been made under section 9 or 10 of the Social Security Act 1998,
- the decision shall be referred to the Secretary of State to be made in accordance (subject to any necessary modifications) with Chapter II of Part I of that Act.
- (3) Subsection (1) does not apply where, in relation to the decision—
- (a) an appeal has been brought but not determined;
  - (b) an application for leave to appeal has been made but not determined;
  - (c) an appeal has not been brought (or, as the case may be, an application for leave to appeal has not been made) but the time for doing so has not yet expired; or
  - (d) an application has been made under section 9 or 10 of that Act.
- (4) In a case falling within subsection (3) the court shall adjourn the proceedings until such time as the final decision is known; and that decision shall be conclusive for the purposes of the proceedings.”