

## SCHEDULES

### SCHEDULE 5

#### PENSIONS: MISCELLANEOUS AMENDMENTS AND ALTERNATIVE TO ANTI-FRANKING RULES

##### PART I

##### MISCELLANEOUS AMENDMENTS

##### *Contributions equivalent premiums: Great Britain*

- 5 (1) For subsection (4) of section 58 of the 1993 Act (calculation of contributions equivalent premiums) there shall be substituted—
- “(4) Subject to subsection (4A), the amount of the contributions equivalent premium shall be equal to the sum of the following amounts—
- (a) the amount of every reduction made under section 41 (as from time to time in force) in the amount of Class 1 contributions payable in respect of the earner’s employment in employment which was contracted-out by reference to the scheme; and
  - (b) the total amount by which the reductions falling within paragraph (a) would have been larger if the amount of the contributions falling to be reduced had in each case been at least equal to the amount of the reduction of those contributions provided for by section 41.
- (4A) The amounts brought into account in accordance with subsection (4)(b) shall not include any amount which, by virtue of regulations made under section 41(1D) so as to avoid the payment of trivial or fractional amounts, is an amount that was not payable by the Inland Revenue to the secondary contributor.”
- (2) In section 61(2) of that Act (recovery of amount of premium attributable to primary Class 1 contributions), after “attributable to” there shall be inserted “any actual reductions of”.
- (3) In section 63(1) of that Act (amounts to be certified by the Inland Revenue), for paragraph (b) there shall be substituted—
- “(b) the sum of the amounts specified in section 58(4);”.
- (4) This paragraph shall have effect, and be deemed to have had effect, in relation to any contributions equivalent premium payable on or after 6th April 1999.