



# Pension Schemes Act 1993

## 1993 CHAPTER 48

### PART III

#### CERTIFICATION OF PENSION SCHEMES AND EFFECTS ON MEMBERS' STATE SCHEME RIGHTS AND DUTIES

### CHAPTER II

#### REDUCTION IN STATE SCHEME CONTRIBUTIONS AND SOCIAL SECURITY BENEFITS FOR MEMBERS OF CERTIFIED SCHEMES

*Minimum contributions: members of appropriate personal pension schemes*

#### **43 Payment of minimum contributions to personal pension schemes.**

- (1) Subject to the following provisions of this Part, the [<sup>F1</sup>Inland Revenue] shall, except in such circumstances [<sup>F2</sup>or in respect of such periods] as may be prescribed, pay minimum contributions in respect of an employed earner for any period during which the earner—
  - (a) is over the age of 16 but has not attained pensionable age;
  - (b) is not a married woman or widow who has made an election which is still operative that [<sup>F3</sup>so much of her liability in respect of primary Class 1 contributions as is attributable to section 8(1)(a) of the Social Security Contributions and Benefits Act 1992 (c. 4)] shall be a liability to contribute at a reduced rate; and
  - (c) is a member of an appropriate personal pension scheme which is for the time being the earner's chosen scheme.
- (2) Subject to subsection (3), minimum contributions in respect of an earner shall be paid to the [<sup>F4</sup>earner].
- (3) In such circumstances as may be prescribed minimum contributions shall be paid to a prescribed person.

*Status: Point in time view as at 06/04/2015.*

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- (4) Where the condition mentioned in subsection (1)(a) or (c) ceases to be satisfied in the case of an earner in respect of whom the [<sup>F1</sup>Inland Revenue][<sup>F5</sup>are] required to pay minimum contributions, the duty of the [<sup>F1</sup>Inland Revenue] to pay them shall cease as from a date determined in accordance with regulations.
- (5) If the [<sup>F1</sup>Inland Revenue][<sup>F6</sup>pay] an amount by way of minimum contributions which [<sup>F7</sup>they][<sup>F6</sup>are] not required to pay, [<sup>F7</sup>they] may recover it—
- (a) from the person to whom [<sup>F7</sup>they] paid it, or
  - (b) from any person in respect of whom [<sup>F7</sup>they] paid it.
- (6) If the [<sup>F1</sup>Inland Revenue][<sup>F8</sup>pay] in respect of an earner an amount by way of minimum contributions which [<sup>F9</sup>they][<sup>F8</sup>are] required to pay, but [<sup>F8</sup>do] not pay it to the trustees or managers of the earner’s chosen scheme, [<sup>F9</sup>they] may recover it from the person to whom [<sup>F9</sup>they] paid it or from the earner.
- [<sup>F10</sup>(6A) Where a payment under subsection (1) is due in respect of an earner, HMRC are not required to make the payment if they determine that the cost to them of administering the payment would exceed the amount of the payment.]
- [<sup>F11</sup>(7) In this section “the earner's chosen scheme” means the scheme which was immediately before the abolition date the earner's chosen scheme in accordance with section 44 (as it had effect prior to that date).]

#### Textual Amendments

- F1** Words in s. 43 substituted (25.2.1999 for specified purposes, 1.4.1999 in so far as not already in force) by Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), s. 28(2)(a), **Sch. 1 para. 47(2)**; S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)
- F2** Words in s. 43(1) inserted (6.4.1997) by Pensions Act 1995 (c. 26), s. 180(1), **Sch. 5 para. 42**; S.I. 1997/664, art. 2(3), **Sch. Pt. 2**
- F3** Words in s. 43(1)(b) substituted (with effect in accordance with s. 8(2) of the amending Act) by National Insurance Contributions Act 2002 (c. 19), **Sch. 1 para. 38**
- F4** Word in s. 43(2) substituted (6.4.2015) by The Pensions Act 2008 (Abolition of Protected Rights) (Consequential Amendments) (No.2) Order 2011 (S.I. 2011/1730), arts. 1(2)(c), **9(5)(a)**
- F5** Word in s. 43(4) substituted (25.2.1999 for specified purposes, 1.4.1999 in so far as not already in force) by Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), s. 28(2)(a), **Sch. 1 para. 47(3)**; S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)
- F6** Words in s. 43(5) substituted (25.2.1999 for specified purposes, 1.4.1999 in so far as not already in force) by Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), s. 28(2)(a), **Sch. 1 para. 47(4)(a)**; S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)
- F7** Word in s. 43(5) substituted (25.2.1999 for specified purposes, 1.4.1999 in so far as not already in force) by Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), s. 28(2)(a), **Sch. 1 para. 47(4)(b)**; S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)
- F8** Words in s. 43(6) substituted (25.2.1999 for specified purposes, 1.4.1999 in so far as not already in force) by Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), s. 28(2)(a), **Sch. 1 para. 47(5)(a)**; S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)
- F9** Word in s. 43(6) substituted (25.2.1999 for specified purposes, 1.4.1999 in so far as not already in force) by Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), s. 28(2)(a), **Sch. 1 para. 47(5)(b)**; S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)
- F10** S. 43(6A) substituted (6.4.2015) by The Pensions Act 2008 (Abolition of Protected Rights) (Consequential Amendments) (No.2) Order 2011 (S.I. 2011/1730), arts. 1(2)(c), **9(5)(b)**

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**F11** S. 43(7) inserted (26.9.2007 for specified purposes, 6.4.2012 in so far as not already in force, that being "the abolition date" for the purposes of s. 15(1) of the amending Act) by Pensions Act 2007 (c. 22), ss. 15(4), 30(2)(b)(3), **Sch. 4 para. 19** (with Sch. 4 Pt. 3); S.I. 2011/1267, art. 2(a)

**Commencement Information**

**I1** Ss. 1-187 in force at 7.2.1994 by S.I. 1994/86, **art. 2**

**F12 44 Earner’s chosen scheme.**

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**Textual Amendments**

**F12** S. 44 repealed (6.4.2012 being "the abolition date" for the purposes of s. 15(1) of the amending Act) by Pensions Act 2007 (c. 22), ss. 15(4), 27(7), 30(2)(b), **Sch. 4 para. 20, Sch. 7 Pt. 6** (with Sch. 4 Pt. 3); S.I. 2011/1267, art. 2(a)

**45 Amount of minimum contributions.**

[<sup>F13</sup>(1) In relation to any tax week falling within a period for which the [<sup>F14</sup>Inland Revenue are] required to pay minimum contributions in respect of an earner, the amount of those contributions shall be an amount equal to the appropriate age-related percentage of so much of the earnings paid in that week (other than earnings in respect of contracted-out employment) as exceeds the current lower earnings limit but not [<sup>F15</sup>the upper accrual point] (or the prescribed equivalents if he is paid otherwise than weekly)].

<sup>F16</sup>(2) .....

(3) Regulations may make provision—

- (a) for earnings to be calculated or estimated in such manner and on such basis as may be prescribed for the purpose of determining whether any, and if so what, minimum contributions are payable in respect of them;
- (b) for the adjustment of the amount which would otherwise be payable by way of minimum contributions so as to avoid the payment of trivial or fractional amounts;
- (c) for the intervals at which, for the purposes of minimum contributions, payments of earnings are to be treated as made;

<sup>F17</sup>(d) .....

- (e) for this section to have effect in prescribed cases as if for any reference to a tax week there were substituted a reference to a prescribed period <sup>F18</sup>... ;
- (f) as to the manner in which and time at which or period within which minimum contributions are to be made.

[<sup>F19</sup>(4) For the purposes of this section “the appropriate age-related percentage”, in relation to a tax year beginning before the abolition date, is the percentage (or percentages) specified as such for that tax year in an order made under section 45A (as it had effect prior to that date).]

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#### Textual Amendments

- F13** S. 45(1) substituted (6.4.1997) by [Pensions Act 1995 \(c. 26\)](#), **ss. 138(2)**, 180(1); S.I. 1997/664, art. 2(3), Sch. Pt. 2
- F14** Words in s. 45(1) substituted (25.2.1999 for specified purposes, 1.4.1999 in so far as not already in force) by [Social Security Contributions \(Transfer of Functions, etc.\) Act 1999 \(c. 2\)](#), s. 28(2)(a), **Sch. 1 para. 49**; S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)
- F15** Words in s. 45(1) substituted (21.9.2008 with effect in relation to 2009-10 and subsequent tax years) by [National Insurance Contributions Act 2008 \(c. 16\)](#), s. 6(1), **Sch. 1 para. 12**
- F16** S. 45(2) omitted (6.4.1997) by virtue of [Pensions Act 1995 \(c. 26\)](#), ss. 138(3), 180(1), **Sch. 7 Pt. III**; S.I. 1997/664, art. 2(3), Sch. Pt. 2
- F17** S. 45(3)(d) repealed (6.4.1997) by [Pensions Act 1995 \(c. 26\)](#), s. 180(1), Sch. 5 para. 43, **Sch. 7 Pt. III**; S.I. 1997/664, art. 2(3), Sch. Pt. 2
- F18** Words in s. 45(3)(e) omitted (6.4.1997) by virtue of [Pensions Act 1995 \(c. 26\)](#), ss. 138(4), 180(1), **Sch. 7 Pt. III**; S.I. 1997/664, art. 2(3), Sch. Pt. 2
- F19** S. 45(4) inserted (26.9.2007 for specified purposes, 6.4.2012 in so far as not already in force, that being "the abolition date" for the purposes of s. 15(1) of the amending Act) by [Pensions Act 2007 \(c. 22\)](#), ss. 15(4), 30(2)(b)(3), **Sch. 4 para. 21** (with Sch. 4 Pt. 3); S.I. 2011/1267, art. 2(a)

#### Commencement Information

- I1** Ss. 1-187 in force at 7.2.1994 by S.I. 1994/86, **art. 2**

### <sup>F20</sup> **45A Determination and alteration of rates of minimum contributions under section 45**

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#### Textual Amendments

- F20** S. 45A repealed (6.4.2012 being "the abolition date" for the purposes of s. 15(1) of the amending Act) by [Pensions Act 2007 \(c. 22\)](#), ss. 15(4), 27(7), 30(2)(b), Sch. 4 para. 22, **Sch. 7 Pt. 6** (with Sch. 4 Pt. 3); S.I. 2011/1267, art. 2(a)

### <sup>F21</sup> **45B Money purchase and personal pension schemes: verification of ages**

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#### Textual Amendments

- F21** S. 45B repealed (6.4.2015) by [Pensions Act 2007 \(c. 22\)](#), ss. 27(7), 30(2)(b), Sch. 4 para. 54, **Sch. 7 Pt. 7**; S.I. 2011/1267, art. 3(a)(iv)(b) (as amended (20.3.2012) by S.I. 2012/911, art. 2(d))

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