

Status: Point in time view as at 06/04/1999.

Changes to legislation: Pension Schemes (Northern Ireland) Act 1993, Cross Heading: Reduced rates of contributions, and rebates, for members of money purchase contracted-out schemes is up to date with all changes known to be in force on or before 15 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)



Pension Schemes (Northern Ireland) Act 1993

1993 CHAPTER 49

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

[^{F1} Reduced rates of contributions, and rebates, for members of money purchase contracted-out schemes]

Textual Amendments

- F1** S. 38A and the cross-heading inserted (14.3.1996 for certain purposes and 6.4.1996 for other specified purposes otherwise 6.4.1997) by [S.I. 1995/3213 \(N.I. 22\)](#), [art. 134\(4\)](#); [S.R. 1996/91](#), [art. 2\(a\)\(d\)](#), [Sch. Pts. I IV](#); [S.R. 1997/192](#), [art. 2\(b\)](#)

[^{F2}38A Reduced rates of Class 1 contributions and rebates.

[Subsections (2) to (3) apply where—

- ^{F3}(1) (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,

Status: Point in time view as at 06/04/1999.

Changes to legislation: *Pension Schemes (Northern Ireland) Act 1993, Cross Heading: Reduced rates of contributions, and rebates, for members of money purchase contracted-out schemes is up to date with all changes known to be in force on or before 15 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- 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 (Northern Ireland) Act 1992) in respect of amount A.]
- (3) The [^{F4}Inland Revenue] shall, except in prescribed circumstances or in respect of prescribed periods, pay in respect of that earner and that tax week to the trustees or managers of the scheme or, in prescribed circumstances, to a prescribed person, the amount by which—
- (a) the appropriate age-related percentage of that part of those earnings, exceeds
 - (b) the appropriate flat-rate percentage of that part of those earnings.
- (4) Regulations [^{F5}made by the Secretary of State] may make provisions—
- (a) as to the manner in which and time at which or period within which payments under subsection (3) are to be made,
 - (b) for the adjustment of the amount which would otherwise be payable under that subsection so as to avoid the payment of trivial or fractional amounts,
 - (c) 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, payments under subsection (3) are to be made.
- (5) If the [^{F4}Inland Revenue][^{F6}pay] an amount under subsection (3) which [^{F7}they][^{F8}are] not required to pay or [^{F8}are] not required to pay to the person to whom, or in respect of whom, the [^{F4}Inland Revenue][^{F6}pay] it, the [^{F4}Inland Revenue] may recover it from any person to whom, or in respect of whom, the [^{F4}Inland Revenue] paid it.
- (6) Where—
- (a) an earner has ceased to be employed in an employment, and
 - (b) earnings are paid to him or for his benefit within the period of six weeks, or such other period as may be prescribed, from the day on which he so ceased, that employment shall be treated for the purposes of this section as contracted-out employment at the time when the earnings are paid if it was contracted-out employment in relation to the earner when he was last employed in it
- (7) Subsection (3) of section 37 applies for the purposes of this section as it applies for the purposes of that.]
- [^{F9}(8) In subsections (3), (4) and (6) “prescribed” means prescribed by regulations made by the Secretary of State.]

Status: Point in time view as at 06/04/1999.

Changes to legislation: Pension Schemes (Northern Ireland) Act 1993, Cross Heading: Reduced rates of contributions, and rebates, for members of money purchase contracted-out schemes is up to date with all changes known to be in force on or before 15 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

- F2** S. 38A inserted (14.3.1996 for certain purposes and 6.4.1996 for other purposes otherwise 6.4.1997) by S.I. 1995/3213 (N.I. 22), **art. 134(4)**; S.R. 1996/91, art. 2(a)(d), **Sch. Pts. I IV**; S.R. 1997/192, **art. 2(b)**
- F3** S. 38A(1)-(2B) substituted (6.4.1999) for s. 38A(1)(2) by S.I. 1998/1506 (N.I. 10), art. 78(1), **Sch. 6 para. 96**; S.R. 1999/72, art. 2(b), **Sch.**
- F4** Words in s. 38A(3)(5) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 52(2)(4)(a)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F5** Words in s. 38A(4) inserted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 52(3)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F6** Words in s. 38A(5) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 52(4)(b)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F7** Word in s. 38A(5) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 52(4)(b)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F8** Words in s. 38A(5) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 52(4)(b)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F9** S. 38A(8) added (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 52(5)**; S.R. 1999/149, art. 2(c), **Sch. 2**

[^{F10}38B Determination and alteration of rates of contributions, and rebates, applicable under section 38A.

Whenever the Secretary of State makes an order under section 42B of the Pension Schemes Act 1993, (determination and alteration of reduced rates of primary and secondary Class 1 contributions for members of money purchase contracted-out schemes), the [^{F11}order may also make corresponding provision] for Northern Ireland.]

Textual Amendments

- F10** S. 38B inserted (14.3.1996 for certain purposes otherwise 6.4.1997) by S.I. 1995/3213, **arts. 1(2), 134(4)**; S.R. 1996/91, art. 2(a)(d), **Sch. Pts. I IV**; S.R. 1997/192, **art. 2(b)**
- F11** Words in s. 38B substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 53**; S.R. 1999/149, art. 2(c), **Sch. 2**

Status:

Point in time view as at 06/04/1999.

Changes to legislation:

Pension Schemes (Northern Ireland) Act 1993, Cross Heading: Reduced rates of contributions, and rebates, for members of money purchase contracted-out schemes is up to date with all changes known to be in force on or before 15 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.