

*Draft Order laid before Parliament under section 45A(1) of the Pension Schemes Act 1993 for approval by resolution of each House of Parliament.*

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DRAFT STATUTORY INSTRUMENTS

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**1998 No.**

**PENSIONS**

**The Social Security (Minimum Contributions to  
Appropriate Personal Pension Schemes) Order 1998**

*Made* - - - - *1998*  
*Coming into force* - - *6th April 1999*

Whereas the Secretary of State has, under section 45A of the Pension Schemes Act 1993<sup>(1)</sup>, laid before each House of Parliament a report, stating what, in view of the report of the Government Actuary under that section, she considers the appropriate age-related percentages should be for the purposes of section 45 of that Act<sup>(2)</sup>:

And whereas a draft of the following Order was, in accordance with section 45A of the Pension Schemes Act 1993, laid before, and approved by a resolution of, each House of Parliament:

Now, therefore, the Secretary of State for Social Security, in exercise of the powers conferred on her by section 45A of the Pension Schemes Act 1993 and of all other powers enabling her in that behalf, hereby makes the following Order:

**Citation and commencement**

1. This Order may be cited as the Social Security (Minimum Contributions to Appropriate Personal Pension Schemes) Order 1998 and shall come into force on 6th April 1999.

**Appropriate age-related percentages**

2. For the purposes of section 45 of the Pension Schemes Act 1993 (amount of minimum contributions) the appropriate age-related percentages in respect of earners in the tax years 1999–2000 to 2001–2002 are those specified in the Table in the Schedule to this Order by reference to their ages on the last day of the preceding tax year.

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(1) 1993 c. 48. Section 45A was inserted by section 138(5) of the Pensions Act 1995 (c. 26).  
(2) Section 45 was amended by section 138 of the Pensions Act 1995.

**Amendment of previous Order**

**3.** In the Social Security (Minimum Contributions to Appropriate Personal Pension Schemes) Order 1996**(3)**—

- (a) in article 2, for the words “to 2001–02” there shall be substituted the words “and 1998–99”; and
- (b) in the Table in the Schedule, the columns relating to the tax years 1999–2000, 2000–2001 and 2001–2002 shall be omitted.

Signed by authority of the Secretary of State for Social Security.

1998

Parliamentary Under-Secretary of State,  
Department of Social Security

## SCHEDULE

Article 2

**TABLE**

Appropriate age-related percentages of earnings exceeding the lower earnings limit but not the upper earnings limit.

<i>Age on last day of preceding tax year</i>	<i>Appropriate age-related percentages for the tax year</i>		
	1999–2000	2000–2001	2001–2002
15	3.8	3.8	3.8
16	3.8	3.8	3.8
17	3.9	3.9	3.9
18	3.9	3.9	3.9
19	4.0	4.0	4.0
20	4.0	4.0	4.0
21	4.1	4.1	4.1
22	4.1	4.1	4.1
23	4.2	4.2	4.2
24	4.2	4.2	4.2
25	4.3	4.3	4.3
26	4.3	4.3	4.3
27	4.4	4.4	4.4
28	4.4	4.4	4.4
29	4.5	4.5	4.5
30	4.5	4.5	4.5
31	4.6	4.6	4.6
32	4.6	4.6	4.6
33	4.7	4.7	4.7
34	4.7	4.7	4.7
35	4.8	4.8	4.8
36	4.8	4.8	4.8
37	5.0	4.9	4.9
38	5.1	5.0	4.9
39	5.3	5.2	5.1
40	5.5	5.4	5.3
41	5.7	5.5	5.4
42	5.9	5.7	5.6

**Draft Legislation:** This is a draft item of legislation and has not yet been made as a UK Statutory Instrument.

<i>Age on last day of preceding tax year</i>	<i>Appropriate age-related percentages for the tax year</i>		
	1999–2000	2000–2001	2001–2002
43	6.1	5.9	5.8
44	6.5	6.1	6.0
45	7.1	6.6	6.2
46	7.9	7.2	6.6
47	8.7	8.0	7.3
48	9.0	8.8	8.1
49	9.0	9.0	8.9
50	9.0	9.0	9.0
51	9.0	9.0	9.0
52	9.0	9.0	9.0
53	9.0	9.0	9.0
54	9.0	9.0	9.0
55	9.0	9.0	9.0
56	9.0	9.0	9.0
57	9.0	9.0	9.0
58	9.0	9.0	9.0
59	9.0	9.0	9.0
60	9.0	9.0	9.0
61	9.0	9.0	9.0
62	9.0	9.0	9.0
63	9.0	9.0	9.0

### **EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order, a draft of which has been laid before, and approved by a resolution of, each House of Parliament, is made as a consequence of a review by the Secretary of State under section 45A of the Pension Schemes Act 1993 (“the 1993 Act”) following a report by the Government Actuary in relation to minimum contributions under section 43 of that Act.

This Order specifies with effect from 6th April 1999 the appropriate age-related percentages of earnings payable as minimum contributions in respect of members of appropriate personal pension

schemes (article 2 and Schedule), and amends the previous Order to restrict its application to the tax years 1997–98 and 1998–99 (article 3).

In accordance with section 45A of the 1993 Act, a copy of a report by the Government Actuary on the percentages which, in his opinion, are required so as to reflect the cost of providing benefits of an actuarial value equivalent to that of the benefits which, under section 48A (effect of reduced contributions and rebates on social security benefits), are forgone by or in respect of members of appropriate personal pension schemes, together with a copy of the report by the Secretary of State, was laid before Parliament with a draft of this Order.

These reports are contained in a Command Paper published by The Stationery Office Limited (Cm. 3888).