

Status: Point in time view as at 01/02/1991.

Changes to legislation: There are currently no known outstanding effects for the Social Security Pensions Act 1975, Cross Heading: Employer's contributions to occupational pension scheme. (See end of Document for details)

SCHEDULES

SCHEDULE 3

PRIORITY IN BANKRUPTCY ETC.

Employer's contributions to occupational pension scheme

- 2 (1) [^{F1}This Schedule applies to] any sum owed on account of an employer's contributions to a contracted-out scheme, being contributions payable—
- (a) in the period of twelve months immediately preceding the [^{F2}relevant date]; and
 - (b) in respect of earners in contracted-out employment by reference to the scheme towards the provision for those earners of guaranteed minimum pensions under the scheme.
- [^{F3}(1A) This Schedule applies to any sum owed on account of an employer's minimum payments to a contracted-out scheme falling to be made in the period of twelve months immediately preceding the relevant date.]
- (2) In so far as contributions [^{F4}or payments] cannot from the terms of the scheme be identified as falling within sub-paragraph (1) [^{F4}or (1A)] above, the amount of the debt having priority by virtue of that sub-paragraph shall be deemed [^{F5}, in a case where the relevant event took place before the day of the passing of the Social Security Act 1985,] to be an amount equal to—
- (a) 7 per cent. of the total reckonable earnings paid or payable, in the period of twelve months referred to in that sub-paragraph, to or for the benefit of non-contributing earners; or
 - (b) 4·5 per cent. of the total reckonable earnings paid or payable in that period to or for the benefit of contributing earners.
- [^{F4}and shall be deemed, [^{F6}in any other case], to be an amount equal to—
- (i) [^{F7}5.8] per cent. of the total reckonable earnings mentioned in paragraph (a) above; and
 - (ii) [^{F8}3.8] per cent. of the total reckonable earnings mentioned in paragraph (b) above; and]
- (3) For the purposes of sub-paragraph (2) above—
- (a) the earnings to be taken into account as reckonable earnings are those paid or payable to or for the benefit of earners in contracted-out employment (by reference to the scheme) in the whole or any part of the said period of twelve months; and
 - (b) earners are to be identified as contributing or non-contributing in relation to service of theirs in contracted-out employment by reference to the scheme according to whether or not in the period in question they were liable under

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the terms of the scheme to contribute in respect of that service towards the provision of pensions under the scheme.

- (4) In this paragraph “employer” shall be construed in accordance with regulations made under section 66(3) of this Act and “reckonable earnings”, in relation to any employment, means the earner’s earnings from that employment so far as those earnings—
- (a) were comprised in any payment of earnings made to him or for his benefit at a time when the employment was contracted-out employment; and
 - (b) exceeded the current lower earnings limit but not the current upper earnings limit.

Textual Amendments

- F1** Words substituted (with effect from 29.12.1986) by [Insolvency Act 1985 \(c. 65\)](#), **Sch. 8**, para. 26(2)
- F2** Words substituted (with effect from 29.12.1986) by [Insolvency Act 1985 \(c. 65\)](#), **Sch. 8**, para. 26(3)
- F3** [Sch. 3 para. 2\(1A\)](#) inserted (with effect from 6.4.1988) by [Social Security Act 1986 \(c. 50\)](#), **Sch. 2**, para. 12(a)
- F4** Words inserted (with effect from 6.4.1988) by [Social Security Act 1986 \(c. 50\)](#), **Sch. 2**, para. 12(b)
- F5** Words inserted by [Social Security Act 1985 \(c. 53\)](#), s. 29(1), **Sch. 5 para. 36**
- F6** Words substituted (with effect from 29.12.1986) by [Insolvency Act 1985 \(c. 65\)](#), **Sch. 8**, para. 26(4)
- F7** Figure substituted, in relation to earnings from 6.4.1988, for figure of 6.25 by [S.I. 1987/656](#), **art 3**
- F8** Figure substituted, in relation to earnings from 6.4.1988, for figure of 4.1 by [S.I. 1987/656](#), **art 3**

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