

Status: Point in time view as at 08/04/2002.

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SCHEDULES

[^{F1}SCHEDULE 4A

ADDITIONAL PENSION

Textual Amendments

- F1** Sch. 4A inserted (8.1.2001, 1.2.2001 for specified purposes and 6.4.2002 otherwise) by 2000 c. 4 (N.I.), s. 30(3), **Sch. 4**; S.R. 2000/358, art. 2(e), **Sch. Pt. IV** (as amended by S.R. 2000/374, art. 3); S.R. 2001/34, art. 2(a)

PART I

THE AMOUNT

- 1 (1) The amount referred to in section 45(2)(c) above is to be calculated as follows—
- (a) take for each tax year concerned the amount for the year which is found under the following provisions of this Schedule;
 - (b) add the amounts together;
 - (c) divide the sum of the amounts by the number of relevant years;
 - (d) the resulting amount is the amount referred to in section 45(2)(c) above, except that if the resulting amount is a negative one the amount so referred to is nil.
- (2) For the purpose of applying sub-paragraph (1) above in the determination of the rate of any additional pension by virtue of section 39(1), 39C(1), 48A(4) or 48B(2) above, in a case where the deceased spouse died under pensionable age, the divisor used for the purposes of sub-paragraph (1)(c) above shall be whichever is the smaller of the alternative numbers referred to below (instead of the number of relevant years).
- (3) The first alternative number is the number of tax years which begin after 5th April 1978 and end before the date when the entitlement to the additional pension commences.
- (4) The second alternative number is the number of tax years in the period—
- (a) beginning with the tax year in which the deceased spouse attained the age of 16 or, if later, 1978-79; and
 - (b) ending immediately before the tax year in which the deceased spouse would have attained pensionable age if he had not died earlier.
- (5) For the purpose of applying sub-paragraph (1) above in the determination of the rate of any additional pension by virtue of section 48BB(5) above, in a case where the deceased spouse died under pensionable age, the divisor used for the purposes of sub-paragraph (1)(c) above shall be whichever is the smaller of the alternative numbers referred to below (instead of the number of relevant years).

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- (6) The first alternative number is the number of tax years which begin after 5th April 1978 and end before the date when the deceased spouse dies.
- (7) The second alternative number is the number of tax years in the period—
- (a) beginning with the tax year in which the deceased spouse attained the age of 16 or, if later, 1978-79; and
 - (b) ending immediately before the tax year in which the deceased spouse would have attained pensionable age if he had not died earlier.
- (8) In this paragraph “relevant year” has the same meaning as in section 44 above.

PART II

SURPLUS EARNINGS FACTOR

- 2 (1) This Part of this Schedule applies if for the tax year concerned there is a surplus in the pensioner’s earnings factor.
- (2) The amount for the year is to be found as follows—
- (a) calculate the part of the surplus for that year falling into each of the bands specified in the appropriate table below;
 - (b) multiply the amount of each such part in accordance with the last order under section 130 of the Administration Act to come into operation before the end of the final relevant year;
 - (c) multiply each amount found under paragraph (b) above by the percentage specified in the appropriate table in relation to the appropriate band;
 - (d) add together the amounts calculated under paragraph (c) above.
- (3) The appropriate table for persons attaining pensionable age after the end of the first appointed year but before 6th April 2009 is as follows—

TABLE 1

<i>Amount of surplus</i>		<i>Percentage</i>
Band 1.	Not exceeding LET	40 + 2N
Band 2.	Exceeding LET but not exceeding 3LET - 2QEF	10 + N/2
Band 3.	Exceeding 3LET - 2QEF	20 + N

- (4) The appropriate table for persons attaining pensionable age on or after 6th April 2009 is as follows—

TABLE 2

<i>Amount of surplus</i>		<i>Percentage</i>
Band 1.	Not exceeding LET	40
Band 2.	Exceeding LET but not exceeding 3LET - 2QEF	10

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Band 3. Exceeding 3LET - 2QEF 20

- (5) Regulations may provide, in relation to persons attaining pensionable age after such date as may be prescribed, that the amount found under this Part of this Schedule for the second appointed year or any subsequent tax year is to be calculated using only so much of the surplus in the pensioner's earnings factor for that year as falls into Band 1 in the table in sub-paragraph (4) above.
- (6) For the purposes of the tables in this paragraph—
- (a) the value of N is 0.5 for each tax year by which the tax year in which the pensioner attained pensionable age precedes 2009-10;
 - (b) "LET" means the low earnings threshold for that year as specified in section 44A above;
 - (c) "QEF" means the qualifying earnings factor for the tax year concerned.
- (7) In the calculation of "2QEF" the amount produced by doubling QEF shall be rounded to the nearest whole £100 (taking any amount of £50 as nearest to the previous whole £100).
- (8) In this paragraph "final relevant year" has the same meaning as in section 44 above.

PART III

CONTRACTED-OUT EMPLOYMENT, ETC.

Introduction

- 3 (1) This Part of this Schedule applies if the following condition is satisfied in relation to each tax week in the tax year concerned.
- (2) The condition is that any earnings paid to or for the benefit of the pensioner in the tax week in respect of employment were in respect of employment qualifying him for a pension provided by a salary related contracted-out scheme or by a money purchase contracted-out scheme or by an appropriate personal pension scheme.
- (3) If the condition is satisfied in relation to one or more tax weeks in the tax year concerned, Part II of this Schedule does not apply in relation to the year.

The amount

- 4 The amount for the year is amount C where—
- (a) amount C is equal to amount A minus amount B, and
 - (b) amounts A and B are calculated as follows.

Amount A

- 5 (1) Amount A is to be calculated as follows.
- (2) If there is an assumed surplus in the pensioner's earnings factor for the year—
- (a) calculate the part of the surplus for that year falling into each of the bands specified in the appropriate table below;

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- (b) multiply the amount of each such part in accordance with the last order under section 130 of the Administration Act to come into operation before the end of the final relevant year;
 - (c) multiply each amount found under paragraph (b) above by the percentage specified in the appropriate table in relation to the appropriate band;
 - (d) add together the amounts calculated under paragraph (c) above.
- (3) The appropriate table for persons attaining pensionable age after the end of the first appointed year but before 6th April 2009 is as follows—

TABLE 3

<i>Amount of surplus</i>		<i>Percentage</i>
Band 1.	Not exceeding LET	$40 + 2N$
Band 2.	Exceeding LET but not exceeding 3LET - 2QEF	$10 + N/2$
Band 3.	Exceeding 3LET - 2QEF	$20 + N$

- (4) The appropriate table for persons attaining pensionable age on or after 6th April 2009 is as follows—

TABLE 4

<i>Amount of surplus</i>		<i>Percentage</i>
Band 1.	Not exceeding LET	40
Band 2.	Exceeding LET but not exceeding 3LET - 2QEF	10
Band 3.	Exceeding 3LET - 2QEF	20

Amount B (first case)

- 6 (1) Amount B is to be calculated in accordance with this paragraph if the pensioner's employment was entirely employment qualifying him for a pension provided by a salary related contracted-out scheme or by a money purchase contracted-out scheme.
- (2) If there is an assumed surplus in the pensioner's earnings factor for the year—
- (a) multiply the amount of the assumed surplus in accordance with the last order under section 130 of the Administration Act to come into operation before the end of the final relevant year;
 - (b) multiply the amount found under paragraph (a) above by the percentage specified in sub-paragraph (3) below.
- (3) The percentage is—
- (a) $20 + N$ if the person attained pensionable age after the end of the first appointed year but before 6th April 2009;
 - (b) 20 if the person attained pensionable age on or after 6th April 2009.

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Amount B (second case)

- 7 (1) Amount B is to be calculated in accordance with this paragraph if the pensioner's employment was entirely employment qualifying him for a pension provided by an appropriate personal pension scheme.
- (2) If there is an assumed surplus in the pensioner's earnings factor for the year—
- (a) calculate the part of the surplus for that year falling into each of the bands specified in the appropriate table below;
 - (b) multiply the amount of each such part in accordance with the last order under section 130 of the Administration Act to come into operation before the end of the final relevant year;
 - (c) multiply each amount found under paragraph (b) above by the percentage specified in the appropriate table in relation to the appropriate band;
 - (d) add together the amounts calculated under paragraph (c) above.
- (3) The appropriate table for persons attaining pensionable age after the end of the first appointed year but before 6th April 2009 is as follows—

TABLE 5

<i>Amount of surplus</i>		<i>Percentage</i>
Band 1.	Not exceeding LET	40 + 2N
Band 2.	Exceeding LET but not exceeding 3LET - 2QEF	10 + N/2
Band 3.	Exceeding 3LET - 2QEF	20 + N

- (4) The appropriate table for persons attaining pensionable age on or after 6th April 2009 is as follows—

TABLE 6

<i>Amount of surplus</i>		<i>Percentage</i>
Band 1.	Not exceeding LET	40
Band 2.	Exceeding LET but not exceeding 3LET - 2QEF	10
Band 3.	Exceeding 3LET - 2QEF	20

Interpretation

- 8 (1) In this Part of this Schedule “salary related contracted-out scheme”, “money purchase contracted-out scheme” and “appropriate personal pension scheme” have the same meanings as in the Pensions Act.
- (2) For the purposes of this Part of this Schedule the assumed surplus in the pensioner's earnings factor for the year is the surplus there would be in that factor for the year if section 44A(1) of the Pensions Act (no primary Class 1 contributions deemed to be paid) did not apply in relation to any tax week falling in the year.

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- (3) Section 44A above shall be ignored in applying section 44(6) above for the purposes of calculating amount B.
- (4) For the purposes of this Part of this Schedule—
 - (a) the value of N is 0.5 for each tax year by which the tax year in which the pensioner attained pensionable age precedes 2009-10;
 - (b) “LET” means the low earnings threshold for that year as specified in section 44A above;
 - (c) “QEF” is the qualifying earnings factor for the tax year concerned.
- (5) In the calculation of “2QEF” the amount produced by doubling QEF shall be rounded to the nearest whole £100 (taking any amount of £50 as nearest to the previous whole £100).
- (6) In this Part of this Schedule “final relevant year” has the same meaning as in section 44 above.

PART IV

OTHER CASES

- 9 The Department may make regulations containing provisions for finding the amount for a tax year in—
 - (a) cases where the circumstances relating to the pensioner change in the course of the year;
 - (b) such other cases as the Department thinks fit.]

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