

*Status: Point in time view as at 29/09/2023.*

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## SCHEDULES

### [<sup>F1</sup>SCHEDULE 4B

#### ADDITIONAL PENSION: ACCRUAL RATES FOR PURPOSES OF SECTION 45(2)(D)

##### Textual Amendments

**F1** Sch. 4B inserted (11.2.2008) by Pensions Act (Northern Ireland) 2008 (c. 1), Sch. 2 para. 1

### PART 3

#### CONTRACTED-OUT EMPLOYMENT

##### *Application*

- 6 This Part applies to a relevant year if [<sup>F2</sup>—
- (a) the contracted-out condition is satisfied in respect of each tax week in the year; [<sup>F3</sup>and
  - (b) there would be a surplus in the pensioner's earnings factor for the year if section 44A of the Pensions Act did not apply in relation to any tax week falling in the year].

##### Textual Amendments

- F2** Sch. 4B para. 6(a) formed from Sch. 4B para. 6 (3.1.2012) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(1), Sch. 3 para. 12(5)(a) (with s. 73); S.R. 2011/441, art. 2(c)(xii)
- F3** Sch. 4B para. 6(b) and preceding word inserted (3.1.2012) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(1), Sch. 3 para. 12(5)(b) (with s. 73); S.R. 2011/441, art. 2(c)(xii)

##### *Appropriate amount for year*

- 7 The appropriate amount for the year for the purposes of paragraph 1 above is calculated as follows—
- (a) calculate amounts A and B in accordance with paragraphs 8 to 10 below;
  - (b) subtract amount B from amount A.

*Amount A: assumed [<sup>F4</sup>earnings factor] not exceeding LET*

##### Textual Amendments

- F4** Words in Sch. 4B para. 8 cross-heading substituted (3.1.2012) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(1), Sch. 3 para. 12(6) (with s. 73); S.R. 2011/441, art. 2(c)(xii)

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- 8 (1) Amount A is calculated in accordance with this paragraph if [<sup>F5</sup>the pensioner's assumed earnings factor for the year] does not exceed the LET.
- (2) In such a case, amount A is the flat rate amount for the year.
- (3) [<sup>F6</sup>Where the final relevant year is 2015-16 or an earlier tax year,] the flat rate amount for the year is calculated by multiplying the FRAA in accordance with the last order under section 130AA of the Administration Act to come into force before the end of the final relevant year.
- [<sup>F7</sup>(4) Otherwise, the flat rate amount is calculated by increasing the FRAA by the percentage by which earnings factors for 2015-16 are directed to be increased by the last order under section 130 of the Administration Act to come into operation before the end of the final relevant year.]

#### Textual Amendments

- F5** Words in Sch. 4B para. 8(1) substituted (3.1.2012) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(1), **Sch. 3 para. 12(6)** (with s. 73); S.R. 2011/441, art. 2(c)(xii)
- F6** Words in Sch. 4B para. 8(3) inserted (6.4.2016) by The Pensions (2015 Act) (Consequential and Supplementary Amendments) Order (Northern Ireland) 2016 (S.R. 2016/78), arts. 1, **2(5)(b)(i)**
- F7** Sch. 4B para. 8(4) added (6.4.2016) by The Pensions (2015 Act) (Consequential and Supplementary Amendments) Order (Northern Ireland) 2016 (S.R. 2016/78), arts. 1, **2(5)(b)(ii)**

*Amount A: assumed [<sup>F8</sup>earnings factor] exceeding LET*

#### Textual Amendments

- F8** Words in Sch. 4B para. 9 cross-heading substituted (3.1.2012) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(1), **Sch. 3 para. 12(7)** (with s. 73); S.R. 2011/441, art. 2(c)(xii)

- 9 (1) Amount A is calculated in accordance with this paragraph if [<sup>F9</sup>the pensioner's assumed earnings factor for the year] exceeds the LET.
- (2) In such a case, amount A is calculated as follows—
- (a) take the part of the [<sup>F10</sup>assumed earnings factor] for the year which exceeds the LET <sup>F11</sup>... ;
  - (b) multiply that amount in accordance with the last order under section 130 of the Administration Act to come into force before the end of the final relevant year;
  - (c) multiply the amount found under paragraph (b) above by 10 per cent.;
  - (d) divide the amount found under paragraph (c) above by 44;
  - (e) add the amount found under paragraph (d) above to the flat rate amount for the year.
- (3) [<sup>F12</sup>Where the final relevant year is 2015-16 or an earlier tax year,] the flat rate amount for the year is calculated by multiplying the FRAA in accordance with the last order under section 130AA of the Administration Act to come into force before the end of the final relevant year.

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[<sup>F13</sup>(4) Otherwise, the flat rate amount is calculated by increasing the FRAA by the percentage by which earnings factors for 2015-16 are directed to be increased by the last order under section 130 of the Administration Act to come into operation before the end of the final relevant year.]

#### Textual Amendments

- F9** Words in Sch. 4B para. 9(1) substituted (3.1.2012) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(1), **Sch. 3 para. 12(7)(a)** (with s. 73); S.R. 2011/441, art. 2(c)(xii)
- F10** Words in Sch. 4B para. 9(2)(a) substituted (3.1.2012) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(1), **Sch. 3 para. 12(7)(b)** (with s. 73); S.R. 2011/441, art. 2(c)(xii)
- F11** Words in Sch. 4B para. 9(2)(a) repealed (15.12.2008) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(2), **Sch. 10 Pt. 6** (with s. 73)
- F12** Words in Sch. 4B para. 9(3) inserted (6.4.2016) by The Pensions (2015 Act) (Consequential and Supplementary Amendments) Order (Northern Ireland) 2016 (S.R. 2016/78), arts. 1, **2(5)(c)(i)**
- F13** Sch. 4B para. 9(4) added (6.4.2016) by The Pensions (2015 Act) (Consequential and Supplementary Amendments) Order (Northern Ireland) 2016 (S.R. 2016/78), arts. 1, **2(5)(c)(ii)**

#### Amount B

- 10 (1) Amount B is calculated as follows—
- take the part of the [<sup>F14</sup>pensioner's assumed earnings factor] for the year which exceeds the QEF <sup>F15</sup>... ;
  - multiply that amount in accordance with the last order under section 130 of the Administration Act to come into force before the end of the final relevant year;
  - multiply the amount found under paragraph (b) above by 20 per cent.;
  - divide the amount found under paragraph (c) above by the number of relevant years in the pensioner's working life.
- (2) Section 44B above is to be ignored in applying section 44(6) above for the purposes of this paragraph.]

#### Textual Amendments

- F14** Words in Sch. 4B para. 10(1)(a) substituted (3.1.2012) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(1), **Sch. 3 para. 12(8)** (with s. 73); S.R. 2011/441, art. 2(c)(xii)
- F15** Words in Sch. 4B para. 10(1)(a) repealed (15.12.2008) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(2), **Sch. 10 Pt. 6** (with s. 73)

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