

*Status: Point in time view as at 07/02/1994.*

*Changes to legislation: Pension Schemes Act 1993, Paragraph 2 is up to date with all changes known to be in force on or before 29 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)*

## SCHEDULES

### SCHEDULE 4

#### PRIORITY IN BANKRUPTCY ETC

##### Commencement Information

**II** Schs. 1-4 in force at 7.2.1994 by S.I. 1994/86, art. 2

##### *Employer's contributions to occupational pension scheme*

- 2 (1) 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 12 months immediately preceding the relevant date; and
  - (b) in respect of earners in employment which is contracted-out by reference to the scheme towards the provision for those earners of guaranteed minimum pensions under the scheme.
- (2) 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 12 months immediately preceding the relevant date.
- (3) In so far as contributions or payments cannot from the terms of the scheme be identified as falling within sub-paragraph (1) or (2), the amount of the debt having priority by virtue of that sub-paragraph shall be deemed to be an amount equal to—
- (a) 4.8 per cent. of the total reckonable earnings paid or payable, in the period of 12 months referred to in that sub-paragraph, to or for the benefit of non-contributing earners; and
  - (b) 3 per cent. of the total reckonable earnings paid or payable in that period to or for the benefit of contributing earners.
- (4) For the purposes of sub-paragraph (3)—
- (a) the earnings to be taken into account as reckonable earnings are those paid or payable to or for the benefit of earners in employment which is contracted-out by reference to the scheme in the whole or any part of the period of 12 months there mentioned; and
  - (b) earners are to be identified as contributing or non-contributing in relation to service of theirs in employment which is contracted-out by reference to the scheme according to whether or not in the period in question they were liable under the terms of the scheme to contribute in respect of that service towards the provision of pensions under the scheme.
- (5) In this paragraph—
- “employer” shall be construed in accordance with regulations made under section 181(2); and

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“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.

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