



# Pension Schemes (Northern Ireland) Act 1993

## 1993 CHAPTER 49

### PART III

#### CERTIFICATION OF PENSION SCHEMES AND EFFECTS ON MEMBERS' STATE SCHEME RIGHTS AND DUTIES

### CHAPTER II

#### REDUCTION IN STATE SCHEME CONTRIBUTIONS AND SOCIAL SECURITY BENEFITS FOR MEMBERS OF CERTIFIED SCHEMES

*Minimum contributions: members of appropriate personal pension schemes*

### **39 Payment of minimum contributions to personal pension schemes.**

- (1) Subject to the following provisions of this Part, the [<sup>F1</sup>Inland Revenue] shall, except in such circumstances [<sup>F2</sup>or in respect of such periods] as may be prescribed, pay minimum contributions in respect of an employed earner for any period during which the earner—
  - (a) is over the age of 16 but has not attained pensionable age;
  - (b) is not a married woman or widow who has made an election which is still operative that her liability in respect of primary Class 1 contributions shall be a liability to contribute at a reduced rate; and
  - (c) is a member of an appropriate personal pension scheme which is for the time being the earner's chosen scheme.
- (2) Subject to subsection (3), minimum contributions in respect of an earner shall be paid to the trustees or managers of the earner's chosen scheme.

*Status: Point in time view as at 11/11/1999.*

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- (3) In such circumstances as may be prescribed minimum contributions shall be paid to a prescribed person.
- (4) Where the condition mentioned in subsection (1)(a) or (c) ceases to be satisfied in the case of an earner in respect of whom the [<sup>F1</sup>Inland Revenue][<sup>F3</sup>are] required to pay minimum contributions, the duty of the [<sup>F1</sup>Inland Revenue] to pay them shall cease as from a date determined in accordance with regulations [<sup>F4</sup>made by the Secretary of State].
- (5) If the [<sup>F1</sup>Inland Revenue][<sup>F5</sup>pay] an amount by way of minimum contributions which [<sup>F6</sup>they are] not required to pay, the [<sup>F1</sup>Inland Revenue] may recover it—
- (a) from the person to whom the [<sup>F1</sup>Inland Revenue] paid it, or
  - (b) from any person in respect of whom the [<sup>F1</sup>Inland Revenue] paid it.
- (6) If the [<sup>F1</sup>Inland Revenue][<sup>F5</sup>pay] in respect of an earner an amount by way of minimum contributions which the [<sup>F1</sup>Inland Revenue][<sup>F7</sup>are] required to pay, but [<sup>F8</sup>do] not pay it to the trustees or managers of the earner’s chosen scheme, the may recover it from the person to whom the [<sup>F1</sup>Inland Revenue] paid it or from the earner.
- [<sup>F9</sup>(7) In this section “prescribed” means prescribed by regulations made by the Secretary of State.]

#### Textual Amendments

- F1** Words in s. 39(1)(4)(5)(6) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 54(2)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F2** Words in s. 39(1) inserted (6.4.1997) by S.I. 1995/3213 (N.I. 22), art. 147, **Sch. 3 para. 34**; S.R. 1997/192, **art. 2(b)**
- F3** Word in s. 39(4) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 54(3)(a)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F4** Words in s. 39(4) inserted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 54(3)(b)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F5** Words in s. 39(5)(6) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 54(4)(5)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F6** Words in s. 39(5) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 54(4)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F7** Word in s. 39(6) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 54(5)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F8** Word in s. 39(6) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 54(5)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F9** S. 39(7) added (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 54(6)**; S.R. 1999/149, art. 2(c), **Sch. 2**

#### 40 Earner’s chosen scheme.

- (1) Where an earner and the trustees or managers of an appropriate personal pension scheme have jointly given notice to the [<sup>F10</sup>Inland Revenue], in such manner and form and with such supporting evidence as may be prescribed—
- (a) that the earner is, or intends to become, a member of the scheme and wishes minimum contributions in respect of him to be paid to the scheme under section 39;

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(b) that the trustees or managers have agreed to accept him as a member of the scheme and to receive such minimum contributions in respect of him,

[<sup>F11</sup>then unless the [<sup>F10</sup>Inland Revenue][<sup>F12</sup>reject] the notice on either or both of the grounds mentioned in subsection (1A)]

that scheme is the earner's chosen scheme for the purposes of section 39 as from a date determined in accordance with regulations [<sup>F13</sup>made by the Secretary of State] and specified in the notice, unless at that date some other appropriate scheme is the earner's chosen scheme for those purposes.

[<sup>F14</sup>(1A) The grounds referred to in subsection (1) are that the [<sup>F10</sup>Inland Revenue][<sup>F15</sup>are of] the opinion—

(a) that section 27(5) is not being complied with in respect of any members of the scheme,

(b) that, having regard to any other provisions of sections 22 to 28 and 39 to 41, it is inexpedient to allow the scheme to be the chosen scheme of any further earners.]

(2) Either an earner or the trustees or managers of the scheme may cancel a notice under subsection (1) by giving notice to that effect to the [<sup>F10</sup>Inland Revenue] at such time and in such manner and form as may be prescribed.

(3) When a notice under subsection (2) is given, the scheme ceases to be the earner's chosen scheme as from a date determined in accordance with regulations [<sup>F13</sup>made by the Secretary of State] and specified in the notice.

[<sup>F16</sup>(4) In this section “prescribed” means prescribed by regulations made by the Secretary of State.]

#### Textual Amendments

- F10** Words in s. 40(1)(1A)(2) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 55(2)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F11** Words in s. 40(1) inserted (6.4.1997) by S.I. 1995/3213 (N.I. 22), **art. 160(a)**; S.R. 1997/192, **art. 2(b)**
- F12** Word in s. 40(1) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 55(3)(a)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F13** Words in s. 40(1)(3) inserted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 55(3)(b)(5)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F14** S. 40(1A) inserted (6.4.1997) by S.I. 1995/3213 (N.I. 22), **art. 160(b)**; S.R. 1997/192, **art. 2(b)**
- F15** Words in s. 40(1A) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 55(4)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F16** S. 40(4) added (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 55(6)**; S.R. 1999/149, art. 2(c), **Sch. 2**

## 41 Amount of minimum contributions.

[<sup>F17</sup>(1) In relation to any tax week falling within a period for which the [<sup>F18</sup>Inland Revenue are] required to pay minimum contributions in respect of an earner, the amount of those contributions shall be an amount equal to the appropriate age-related percentage of so much of the earnings paid in that week (other than earnings in respect of contracted-out employment) as exceeds the current lower earnings limit but not the current upper earnings limit for that week (or the prescribed equivalents if he is paid otherwise than weekly).]

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- (2) .....
- (3) Regulations [<sup>F19</sup>made by the Secretary of State] may make provision—
- (a) for earnings to be calculated or estimated in such manner and on such basis as may be prescribed for the purpose of determining whether any, and if so what, minimum contributions are payable in respect of them;
  - (b) for the adjustment of the amount which would otherwise be payable by way of minimum contributions so as to avoid the payment of trivial or fractional amounts;
  - (c) for the intervals at which, for the purposes of minimum contributions, payments of earnings are to be treated as made;
  - <sup>F20</sup>(d) .....
  - (e) for this section to have effect in prescribed cases as if for any reference to a tax week there were substituted a reference to a <sup>F21</sup> . . .
  - (f) as to the manner in which and time at which or period within which minimum contributions are to be made.

[<sup>F22</sup>(4) In subsection (3) “prescribed” means prescribed by regulations made by the Secretary of State.]

#### Textual Amendments

- F17** S. 41(1) substituted (6.4.1997) by S.I. 1995/3213 (N.I. 22), **art. 135(2)**; S.R. 1997/192, **art. 2(b)**
- F18** Words in s. 41(1) substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 56(2)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F19** Words in s. 41(3) inserted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 56(3)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F20** S. 41(3)(d) repealed (6.4.1997) by S.I. 1995/3213 (N.I. 22), arts. 147, 168, Sch. 3 para. 35, **Sch. 5 Pt. III**; S.R. 1997/192, **art. 2(b)**
- F21** Words in s. 41(3)(e) repealed (6.4.1997) by S.I. 1995/3213 (N.I. 22), arts. 135(4), 168, **Sch. 5 Pt. III**; S.R. 1997/192, **art. 2(b)**
- F22** S. 41(4) added (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 56(4)**; S.R. 1999/149, art. 2(c), **Sch. 2**

#### [<sup>F23</sup>41A Alteration of rates of minimum contributions under section 41.

Whenever the Secretary of State makes an order under section 45A of the Pension Schemes Act 1993 (determination and alteration of rates of contributions to personal pension schemes) the [<sup>F24</sup>order may also make corresponding provision] for Northern Ireland.]

#### Textual Amendments

- F23** S. 41A inserted (14.3.1996 for certain purposes otherwise 6.4.1997) by S.I. 1995/3213 (N.I. 22), **art. 135(5)**; S.R. 1996/91, art. 2(a), **Sch. Pt. I**; S.R. 1997/192, **art. 2(b)**
- F24** Words in s. 41A substituted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 57**; S.R. 1999/149, art. 2(c), **Sch. 2**

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**[<sup>F25</sup>41B Money purchase and personal pension schemes: verification of ages**

- (1) Regulations [<sup>F26</sup>made by the Secretary of State] may make provision for the manner in which an earner's age is to be verified in determining the appropriate age-related percentages for the purposes of section 38A and 41(1).
- (2) Information held by the Department [<sup>F27</sup>or the Inland Revenue] as to the age of any individual may, whether or not it was obtained in pursuance of regulations under subsection (1), be disclosed by the Department [<sup>F27</sup>or the Inland Revenue]—
- (a) to the trustees or managers of a money purchase contracted-out scheme or an appropriate personal pension scheme, and
  - (b) to such other persons as may be prescribed,
- in connection with the making of payments under section 38A(3) or the payment of minimum contributions.]

[<sup>F28</sup>(3) In this section “prescribed” means prescribed by regulations made by the Secretary of State.]

**Textual Amendments**

- F25** S. 41B inserted (6.4.1996 for certain purposes otherwise 6.4.1997) by S.I. 1995/3213 (N.I. 22), **art. 136**; S.R. 1996/91, art. 2(d), **Sch. Pt. IV**; S.R. 1997/192, **art. 2(b)**
- F26** Words in s. 41B(1) inserted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 58(2)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F27** Words in s. 41B(2) inserted (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 58(3)**; S.R. 1999/149, art. 2(c), **Sch. 2**
- F28** S. 41B(3) added (24.3.1999 for certain purposes and otherwise 1.4.1999) by S.I. 1999/671, arts. 1(2)(b), 3(1), **Sch. 1 para. 58(4)**; S.R. 1999/149, art. 2(c), **Sch. 2**

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