



Pension Schemes (Northern Ireland) Act 1993

1993 CHAPTER 49

PART III **N.I.**

^{F1}[^{F1}SCHEMES THAT WERE CONTRACTED-OUT ETC.]
AND EFFECTS ON MEMBERS' STATE SCHEME RIGHTS ...

CHAPTER II **N.I.**

[^{F1}REDUCTION IN SOCIAL SECURITY BENEFITS FOR
MEMBERS OF SCHEMES THAT WERE CONTRACTED-OUT]

[^{F1} [^{F2} Reduced rates of contributions for members of salary related contracted-out schemes]]

Textual Amendments

- F1** S. 37 cross-heading repealed (6.4.2016) by [Pensions Act \(Northern Ireland\) 2015 \(c. 5\), s. 53\(3\), Sch. 13 para. 28](#) (with savings until 6.4.2019 by [S.R. 2016/106](#), arts. 1(1)(2), 2(1)(2))
- F2** S. 37(1)(1A), the sidenote and the preceding cross-heading substituted (14.3.1996 for certain purposes, 6.4.1996 for other specified purposes and otherwise 6.4.1997) by [S.I. 1995/3213 \(N.I. 22\)](#), [art. 134\(2\)](#); [S.R. 1996/91](#), [art. 2\(a\)\(d\)](#), [Sch. Pts. I IV](#); [S.R. 1997/192](#), [art. 2\(b\)](#)

37 [^{F3} Reduced rates of Class 1 contributions.] **N.I.**

[^{F4} [^{F5}(1) Subsections (1A) to [^{F6}(1E)] apply where—

- (a) the earnings paid to or for the benefit of an earner in any tax week are in respect of an employment which is contracted-out employment at the time of the payment; and
- (b) the earner's service in the employment is service which qualifies him for a pension provided by a salary related contracted-out scheme,

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and in subsections (1A) and (1B) “the relevant part”, in relation to those earnings, means so much of those earnings as exceeds the current lower earnings limit but not [^{F7}the upper accrual point] (or the prescribed equivalents if the earner is paid otherwise than weekly).

^{F8}(1ZA)

[The amount of any primary Class 1 contribution [^{F10}attributable to section 8(1)(a) of ^{F9}(1A) the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7)] in respect of the earnings shall be reduced by an amount equal to [^{F11}1.4 per cent] of the relevant part of the earnings (“Amount R1”).

(1B) The amount of any secondary Class 1 contribution in respect of the earnings shall be reduced by an amount equal to [^{F12}3.4 per cent] of the relevant part of the earnings (“Amount R2”).

(1C) The aggregate of Amounts R1 and R2 shall be set off—

- (a) first against the aggregate amount which the secondary contributor is liable to pay in respect of the contributions mentioned in subsections (1A) and (1B); and
- (b) then (as to any balance) against any amount which the secondary contributor is liable to pay in respect of any primary or secondary Class 1 contribution in respect of earnings—
 - (i) paid to or for the benefit of any other employed earner (whether in contracted-out employment or not), and
 - (ii) in relation to which the secondary contributor is such a contributor; and in this subsection any reference to a liability to pay an amount in respect of a primary Class 1 contribution is a reference to such a liability under paragraph 3 of Schedule 1 to the ^{M1}Social Security Contributions and Benefits (Northern Ireland) Act 1992.]

(1D) If—

- (a) any balance remains, and
- (b) the secondary contributor makes an application for the purpose to the Inland Revenue,

the Inland Revenue shall, in such manner and at such time (or within such period) as may be prescribed by regulations made by the Secretary of State, pay to the secondary contributor an amount equal to the remaining balance.

But such regulations may make provision for the adjustment of an amount that would otherwise be payable under this subsection so as to avoid the payment of trivial or fractional amounts.

(1E) If the Inland Revenue pay any amount under subsection (1D) which they are not required to pay, they may recover that amount from the secondary contributor in such manner and at such time (or within such period) as may be prescribed by such regulations.]

(2) Where—

- (a) an earner has ceased to be employed in an employment; and
- (b) earnings are paid to him or for his benefit within the period of 6 weeks, or such other period as may be prescribed [^{F13}by regulations made by the Secretary of State], from the day on which he so ceased,

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that employment shall be treated for the purposes of subsection (1) as contracted-out employment at the time when the earnings are paid if it was contracted-out employment in relation to the earner when he was last employed in it.

- (3) This section shall not affect the amount of any primary Class 1 contribution which is payable at a reduced rate by virtue of regulations under section 19(4) of the ^{M2}Social Security Contributions and Benefits (Northern Ireland) Act 1992 (reduced rates for married women and widows).]

Textual Amendments

- F3** S. 37(1)(1A), the sidenote and the preceding cross-heading substituted (14.3.1996 for certain purposes and 6.4.1996 for other specified purposes and otherwise 6.4.1997) for S. 37(1) by S.I. 1995/3213 (N.I. 22), **art. 134(2)**; S.R. 1996/91, art. 2(a)(d), **Sch. Pts. I IV**; S.R. 1997/192, **art. 2(b)**
- F4** S. 37 repealed (6.4.2016) by Pensions Act (Northern Ireland) 2015 (c. 5), s. 53(3), **Sch. 13 para. 29** (with savings until 6.4.2019 by S.R. 2016/106, arts. 1(1)(2), 2(1)(2))
- F5** S. 37(1)-(1C) substituted for s. 37(1)(1A) (6.4.1999) by S.I. 1998/1506 (N.I. 10), art. 78(1), **Sch. 6 para. 95**; S.R. 1999/72, art. 2(b), **Sch.**
- F6** Word in s. 37(1) substituted (22.12.1999 for certain purposes and otherwise 6.4.2000) by 1999 c. 30, s. 74, **Sch. 10 para. 6(2)**; S.I. 1999/3420, **art. 2**
- F7** Words in s. 37(1) substituted (with effect in accordance with Sch. 7 para. 10(4) of the amending Act) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(2), **Sch. 7 para. 10(2)** (with s. 73)
- F8** S. 37(1ZA) repealed (with effect in accordance with Sch. 7 para. 10(4), Sch. 10 Pt. 6 Note 1(a) of the amending Act) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(2), Sch. 7 para. 10(3), **Sch. 10 Pt. 6** (with s. 73)
- F9** S. 37(1A)-(1E) substituted for s. 37(1A)-(1C) (22.12.1999 for certain purposes and otherwise 6.4.2000) by 1999 c. 30, s. 74, **Sch. 10 para. 6(3)**; S.I. 1999/3420, **art. 2**
- F10** Words inserted (8.7.2002 with effect for 2003-2004 and subsequent tax years) by National Insurance Contributions Act 2002 (c. 19), s. 6, **Sch. 1 para. 41**
- F11** Words in s. 37(1A) substituted (6.4.2011) by The Social Security (Reduced Rates of Class 1 Contributions, Rebates and Minimum Contributions) Order 2011 (S.I. 2011/1036), arts. 1(1), **5(2)**
- F12** Words in s. 37(1B) substituted (6.4.2011) by The Social Security (Reduced Rates of Class 1 Contributions, Rebates and Minimum Contributions) Order 2011 (S.I. 2011/1036), arts. 1(1), **5(3)**
- F13** Words in s. 37(2)(b) 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. 50**; S.R. 1999/149, art. 2(c), **Sch. 2**

Marginal Citations

- M1** 1992 c. 7
M2 1992 c. 7.

^{F14}38 Alteration of rates of contributions under s. 37. **N.I.**

Textual Amendments

- F14** S. 38 repealed (6.4.2016) by Pensions Act (Northern Ireland) 2015 (c. 5), s. 53(3), **Sch. 13 para. 30**

Changes to legislation:

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Changes and effects yet to be applied to :

- specified provision(s) amendment to savings in S.R. 2016/106 for effects of 2015 c. 5 (N.I.), Sch. 13 by [S.R. 2016/162 art. 5](#)
- specified provision(s) savings for effects of 2015 c. 5 (N.I.), Sch. 13 by [S.R. 2016/106 art. 2](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act power to modify conferred by [S.I. 2005/255 \(N.I.\) art. 281\(3\)\(a\)\(i\)](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 21A inserted by [2008 c. 1 \(N.I.\) Sch. 4 para. 9](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 4 para. 9 together with the inserted s. 21A were repealed (6.4.2012) by [2008 c. 13 \(N.I.\), ss. 85\(2\)\(b\), 118\(1\), Sch. 10 Pt. 3 \(with s. 73\)](#); [S.R. 2012/119, art. 2\(a\)\(c\)](#))
- s. 21A repealed by [2008 c. 13 \(N.I.\) s. 85\(2\)\(b\) Sch. 10 Pt. 3](#) (This amendment not applied to [legislation.gov.uk](#). This amendment not applied to [legislation.gov.uk](#). Sch. 4 para. 9 together with the inserted s. 21A were repealed (6.4.2012) by [2008 c. 13 \(N.I.\), ss. 85\(2\)\(b\), 118\(1\), Sch. 10 Pt. 3 \(with s. 73\)](#); [S.R. 2012/119, art. 2\(a\)\(c\)](#))
- s. 23A inserted by [2008 c. 1 \(N.I.\) Sch. 4 para. 10](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 4 para. 10 together with the inserted s. 23A were repealed (6.4.2012) by [2008 c. 13 \(N.I.\), ss. 85\(2\)\(b\), 118\(1\), Sch. 10 Pt. 3 \(with s. 73\)](#); [S.R. 2012/119, art. 2\(a\)\(c\)](#))
- s. 23A repealed by [2008 c. 13 \(N.I.\) s. 85\(2\)\(b\) Sch. 10 Pt. 3](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 4 para. 10 together with the inserted s. 23A were repealed (6.4.2012) by [2008 c. 13 \(N.I.\), ss. 85\(2\)\(b\), 118\(1\), Sch. 10 Pt. 3 \(with s. 73\)](#); [S.R. 2012/119, art. 2\(a\)\(c\)](#))
- s. 42(1A)(1B) inserted by [2008 c. 13 \(N.I.\) s. 82\(2\)](#)
- s. 42(1A) words substituted by [2012 c. 3 \(N.I.\) Sch. 3 para. 7](#)
- s. 42A inserted by [2008 c. 13 \(N.I.\) s. 82\(3\)](#)
- s. 42A repealed by [2015 c. 5 \(N.I.\) Sch. 12 para. 79](#)
- s. 42A heading words substituted by [2012 c. 3 \(N.I.\) Sch. 3 para. 8\(b\)](#)
- s. 42A(1)(c) words substituted by [2012 c. 3 \(N.I.\) Sch. 3 para. 8\(a\)](#)
- s. 67(1A) inserted by [2016 c. 1 \(N.I.\) s. 39\(2\)\(b\)](#)
- s. 78A inserted by [2016 c. 1 \(N.I.\) Sch. 1 para. 2](#)
- s. 79(1A)-(1AC) substituted for s. 79(1A) by [2016 c. 1 \(N.I.\) Sch. 1 para. 3](#)
- s. 80-80F substituted for s. 80 by [2016 c. 1 \(N.I.\) Sch. 1 para. 4](#)
- s. 81A inserted by [2016 c. 1 \(N.I.\) Sch. 1 para. 5](#)
- s. 82A82B inserted by [2016 c. 1 \(N.I.\) Sch. 1 para. 6](#)
- s. 90(2A)(a)(viii) inserted by [2015 c. 5 \(N.I.\) Sch. 17 para. 19\(2\)\(a\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 90 already substituted (3.3.2015 for specified purposes, 6.4.2015 in so far as not already in force) by Pension Schemes Act 2015 (c. 8), s. 89(1)(b)(3)(b), Sch. 4 para. 54 (with s. 87))
- s. 90(2A)(a)(ix) inserted by [2015 c. 5 \(N.I.\) Sch. 18 para. 9\(2\)\(a\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 90 already substituted (3.3.2015 for specified purposes, 6.4.2015 in so far as not already in force) by Pension Schemes Act 2015 (c. 8), s. 89(1)(b)(3)(b), Sch. 4 para. 54 (with s. 87))
- s. 90(2A)(b)(vi) inserted by [2015 c. 5 \(N.I.\) Sch. 17 para. 19\(2\)\(b\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 90 already substituted (3.3.2015 for specified

- purposes, 6.4.2015 in so far as not already in force) by Pension Schemes Act 2015 (c. 8), s. 89(1)(b)(3)(b), Sch. 4 para. 54 (with s. 87))
- s. 90(2A)(b)(vii) inserted by [2015 c. 5 \(N.I.\) Sch. 18 para. 9\(2\)\(b\)](#) (This amendment not applied to legislation.gov.uk. S. 90 already substituted (3.3.2015 for specified purposes, 6.4.2015 in so far as not already in force) by Pension Schemes Act 2015 (c. 8), s. 89(1)(b)(3)(b), Sch. 4 para. 54 (with s. 87))
- s. 97AI(7)(a)(x) inserted by [2015 c. 5 \(N.I.\) Sch. 17 para. 19\(4\)\(a\)](#)
- s. 97AI(7)(b)(viii) inserted by [2015 c. 5 \(N.I.\) Sch. 17 para. 19\(4\)\(b\)](#)
- s. 109(4)(4A) substituted for s. 109(4) by [2016 c. 1 \(N.I.\) s. 38\(5\)](#)
- s. 141(4)(5) added by [S.I. 2005/255 \(N.I.\) art. 251](#)
- s. 142(6A) inserted by [S.I. 2005/255 \(N.I.\) Sch. 10 para. 19\(b\)](#)
- s. 170A inserted by [2008 c. 13 \(N.I.\) Sch. 9 para. 1](#)
- s. 172(2)(b)(ii)-(ix) substituted for s. 172(2)(b)(ii) by [2008 c. 1 \(N.I.\) Sch. 4 para. 33](#) (This amendment not applied to legislation.gov.uk. Sch. 4 para. 33 repealed immediately before the "abolition date" (see [2008 c. 1 \(N.I.\) s. 13](#)) by S.R. 2012/124, art. 7(2))
- Sch. 2 para. A1 inserted by [2016 c. 1 \(N.I.\) Sch. 1 para. 8](#)
- Sch. 2 para. 3A omitted by [2016 c. 1 \(N.I.\) Sch. 1 para. 9](#)