

2009 No. 3094

PENSIONS

**The Pensions Act 2007 (Supplementary Provisions) (No.2)
Order 2009**

<i>Made</i>	- - - -	<i>19th November 2009</i>
<i>Laid before Parliament</i>		<i>30th November 2009</i>
<i>Coming into force</i>	- -	<i>6th April 2010</i>

The Secretary of State for Work and Pensions makes the following Order in exercise of the powers conferred by section 27(1) of the Pensions Act 2007(a).

Citation, commencement, interpretation and extent

1.—(1) This Order may be cited as the Pensions Act 2007 (Supplementary Provisions) (No.2) Order 2009.

(2) This Order comes into force on 6th April 2010.

(3) In this Order, “the 2006 Order” means the Social Security (Reduced Rates of Class 1 Contributions, Rebates and Minimum Contributions) Order 2006(b).

(4) This Order extends to England and Wales and Scotland.

Amendment of article 4 of the 2006 Order

2.—(1) Article 4 (appropriate age-related percentages for appropriate personal pension schemes for England and Wales and Scotland) of the 2006 Order is amended as follows.

(2) In paragraph (2), for “a relevant tax year” substitute “the tax years 2007-2008, 2008-2009 and 2009-2010”.

(3) After paragraph (5), insert—

“(5A) For the tax years 2010-2011 and 2011-2012, the appropriate age-related percentage in respect of earnings of an earner is determined in accordance with paragraph (5B) or (5C).

(5B) If the earnings do not exceed the low earnings threshold, the appropriate age-related percentage is the column B percentage.

(5C) If the earnings exceed the low earnings threshold, then—

(a) in respect of the part of the earnings that does not exceed the low earnings threshold, the appropriate age-related percentage is the column B percentage; and

(b) in respect of the part of the earnings that exceeds the low earnings threshold, the appropriate age-related percentage is the column C percentage.”.

(4) Omit paragraph (6)(c).

(a) 2007 c.22.

(b) S.I. 2006/1009, which has not been amended.

(5) After paragraph (6), insert—

“(6A) For the tax years 2007-2008, 2008-2009 and 2009-2010, in respect of earnings of an earner, the column D percentage is the percentage given in column D of the appropriate table by reference to the age of the earner on the day immediately before the start of that tax year.”.

Amendment of Schedules 5 and 6 to the 2006 Order

3.—(1) Schedules 5 (appropriate age-related percentages for appropriate personal pension schemes for the tax year 2010-2011) and 6 (appropriate age-related percentages for appropriate personal pension schemes for the tax year 2011-2012) to the 2006 Order are amended as follows so far as they relate to article 4 of the 2006 Order.

(2) In column C, omit “but not exceeding upper earnings threshold”.

(3) Omit column D.

Signed by authority of the Secretary of State for Work and Pensions.

19th November 2009

Angela Eagle,
Minister of State,
Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Order)

The amendments made by this Order are supplementary to, and in consequence of, the amendments made by section 10 of the Pensions Act 2007 (c.22). Section 10 changes the rules for calculating the state second pension.

This Order amends the Social Security (Reduced Rates of Class 1 Contributions, Rebates and Minimum Contributions) Order 2006 (S.I. 2006/1009) (“the 2006 Order”) and extends to England and Wales and Scotland.

The 2006 Order relates to members of pension schemes which are contracted-out of the state second pension. Article 4 of, and Schedules 2 to 6 to, the 2006 Order specify the appropriate age-related percentages of earnings payable as minimum contributions in respect of members of appropriate personal pension schemes. These age-related percentages are used to determine the amount of Class 1 National Insurance contributions which are paid into a pension scheme for persons who contract out of the state second pension.

This Order amends article 4 of, and Schedules 5 and 6 to, the 2006 Order. It replaces some of the amounts used in determining the age-related percentages for the tax years 2010-11 and 2011-12.

This Order has a negligible impact on the private and voluntary sectors. An assessment of the impact is included in the impact assessment that accompanied the Pensions Act 2007. Copies of that assessment are available from the libraries of both Houses of Parliament and may also be obtained from the Better Regulation Unit of the Department for Work and Pensions, 7F Caxton House, Tothill Street, London SW1H 9NA or from the DWP website: <http://www.dwp.gov.uk/resourcecentre/ria.asp>.

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STATUTORY INSTRUMENTS

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