SCHEDULES

SCHEDULE 2

PENSIONS: MISCELLANEOUS AMENDMENTS

Payment by the Department of unpaid pension contributions

6.—(1) Paragraph 2 of Schedule 3 to the Pension Schemes Act (priority in bankruptcy for amounts paid by the Department in respect of unpaid pension contributions) is amended as follows.

(2) For sub-paragraphs (1) to (3) substitute—

"(1) This Schedule applies to any sum owed on account of an employer's contributions to a salary related contracted-out scheme which were payable in the period of 12 months immediately preceding the relevant date.

(1A) The amount of the debt having priority by virtue of sub-paragraph (1) shall be taken to be an amount equal to the appropriate amount.

(2) This Schedule applies to any sum owed on account of an employer's minimum payments to a money purchase contracted-out scheme falling to be made in the period of 12 months immediately preceding the relevant date.

(3) In so far as payments cannot from the terms of the scheme be identified as falling within sub-paragraph (2), the amount of the debt having priority by virtue of that sub-paragraph shall be taken to be an amount equal to the appropriate amount.

(3A) In sub-paragraph (1A) or (3) "the appropriate amount" means the aggregate of—

(a) the percentage for non-contributing earners of the total reckonable earnings paid or payable, in the period of 12 months referred to in sub-paragraph (1) or (2) (as the case may be), to or for the benefit of non-contributing earners; and

(b) the percentage for contributing earners of the total reckonable earnings paid or payable, in that period, to or for the benefit of contributing earners.".

(3) In sub-paragraph (4), for "sub-paragraph (3)" substitute "sub-paragraph (3A)".