
STATUTORY RULES OF NORTHERN IRELAND

1997 No. 139

The Personal Pension Schemes (Appropriate Schemes) Regulations (Northern Ireland) 1997

Calculation or estimation of earnings

15.—(1) In relation to any tax year, the earnings of an earner shall be calculated or estimated, for the purposes of section 41(1)(1), on the basis mentioned in this regulation.

(2) In paragraph (3)—

“eligible tax week” means any tax week in any part of which the earner in question is at least 16 years of age and in no part of which he is over pensionable age; and

“ineligible tax week” means any tax week which is not an eligible tax week.

(3) In relation to any eligible tax week in a tax year the earnings of an earner shall be taken to be the amount calculated or estimated in accordance with paragraph (4) divided by the number of eligible tax weeks in that tax year, and in relation to any ineligible tax week they shall be taken to be nil.

(4) The formula to be applied shall be the formula set out in paragraph (5)(a), or, if it produces a smaller value for X, the formula set out in paragraph (5)(b), so however, that if the formula set out in paragraph (5)(a) produces a negative value for X, or if the value of P is nil, the value of X shall be taken to be nil.

(5) The formulae mentioned in paragraph (4) are—

(a) $X = P + R - S - 52L$; and

(b) $X = 53U - 52L$.

(6) In paragraph (7)—

(a) “primary Class 1 contributions” does not include primary Class 1 contributions which the earner, being a married woman or widow, is liable to make at a reduced rate in accordance with an election which she has made and which is still operative; and

(b) the reference to contributions as having been paid includes the case of contributions which are treated as having been paid under regulation 39 of the Social Security (Contributions) Regulations (Northern Ireland) 1979(2) but does not include the case of contributions which are treated as not paid under regulation 38(1) and (2)(a)(3) of those Regulations.

(7) In this regulation—

(a) L is the lower earnings limit for the tax year in question;

(1) Section 41 is amended by Article 135(1) to (4) of, and paragraph 35 of Schedule 3 to, the Pensions (Northern Ireland) Order 1995

(2) S.R. 1979 No. 186; regulation 39 was amended by regulation 11 of S.R. 1987 No. 143, regulation 7 of S.R. 1987 No. 468, regulation 13(5) of S.R. 1995 No. 150 and regulation 3(5) of S.R. 1996 No. 430

(3) Regulation 38 was amended by regulation 13 of S.R. 1984 No. 43, regulation 10 of S.R. 1987 No. 143, regulation 4 of S.R. 1992 No. 138, regulation 3 of S.R. 1993 No. 368, regulation 3 of S.R. 1994 No. 219, regulation 13(4) of S.R. 1995 No. 150 and regulation 3(4) of S.R. 1996 No. 430

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- (b) P is the total earnings, in so far as the earnings for each week did not exceed U, paid to or for the benefit of the earner in relation to the tax year in question, in relation to which primary Class 1 contributions have been paid with respect to employments that are not contracted-out;
- (c) R is the total earnings, in so far as the earnings for each week did not exceed U, paid to or for the benefit of the earner in relation to the tax year in question, in relation to which primary Class 1 contributions have been paid with respect to employments that are contracted-out;
- (d) S is the total earnings, in so far as the earnings for each week equalled or exceeded L but did not exceed U, paid to or for the benefit of the earner in relation to the tax year in question, in relation to which primary Class 1 contributions have been paid with respect to employments that are contracted-out; and
- (e) U is the upper earnings limit for the tax year in question.