



# 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 Department shall, except in such circumstances 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.
- (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 Department is required to pay minimum contributions, the duty of the Department to pay them shall cease as from a date determined in accordance with regulations.
- (5) If the Department pays an amount by way of minimum contributions which it is not required to pay, the Department may recover it—
  - (a) from the person to whom the Department paid it, or
  - (b) from any person in respect of whom the Department paid it.
- (6) If the Department pays in respect of an earner an amount by way of minimum contributions which the Department is required to pay, but does not pay it to the trustees or managers of the earner's chosen scheme, the Department may recover it from the person to whom the Department paid it or from the earner.

#### **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 Department, 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;
  - (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,

that scheme is the earner's chosen scheme for the purposes of section 39 as from a date determined in accordance with regulations and specified in the notice, unless at that date some other appropriate scheme is the earner's chosen scheme for those purposes.
- (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 Department 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 and specified in the notice.

#### **41 Amount of minimum contributions**

- (1) Subject to subsection (2), in relation to any tax week falling within a period for which the Department is required to pay minimum contributions in respect of an earner, the amount of those contributions shall be an amount equal to the aggregate amount of the reductions in Class 1 contributions which would fall to be made under section 37(1) if any employment of his which is not contracted-out were contracted-out employment.
- (2) Where—
  - (a) subsection (1) applies;
  - (b) the tax year in which the tax week falls ends before such date as may be prescribed; and
  - (c) the earner was over the age of 30 on the 6th April with which the tax year began,

there shall be added to the amount payable under that subsection an amount equal to 1 per cent. of so much of those earnings as respects which those reductions would fall to be made.

(3) Regulations 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;
- (d) for the manner in which an earner's age is to be verified for the purposes of subsection (2);
- (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 prescribed period, and for the references to a tax week in section 37(1) to have effect accordingly so far as they apply for the purposes of this section;
- (f) as to the manner in which and time at which or period within which minimum contributions are to be made.