SCHEDULES

SCHEDULE 9

NEW THRESHOLD FOR PRIMARY CLASS 1 CONTRIBUTIONS

PART II

REDUCED CONTRIBUTIONS IN RESPECT OF MEMBERS OF CONTRACTED-OUT SCHEMES

Reduced rates for members of money purchase contracted-out schemes

7 (1) Section 42A of the Pension Schemes Act 1993 is amended as follows.

(2) In subsection (1), for "(3)" substitute " (2D) and (3) ".

(3) For subsections (2) to (2B) substitute—

"(2) The amount of any primary Class 1 contribution in respect of the earnings shall be reduced by an amount equal to the appropriate flat-rate percentage of the relevant part of the earnings ("Amount R1").

(2A) The amount of any secondary Class 1 contribution in respect of the earnings shall be reduced by an amount equal to the appropriate flat-rate percentage of the relevant part of the earnings ("Amount R2").

(2B) 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 (2) and (2A); and

(b) then (as to any balance) against any amount which the secondary contributor is liable to pay in respect of a 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 Social Security Contributions and Benefits Act 1992.

(2C) 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, pay to the secondary contributor an amount equal to the remaining balance.

But 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.

(2D) If the Inland Revenue pay any amount under subsection (2C) 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."

Commencement Information

I1 Sch. 9 para. 7 wholly in force at 6.4.2000; Sch. 9 para. 7 not in force at Royal Assent see s. 89(3); Sch. 9 para. 7 in force for certain purposes at 22.12.1999 and for all other purposes at 6.4.2000 by S.I. 1999/3420, **art. 2**

Changes to legislation:
There are currently no known outstanding effects for the Welfare Reform and Pensions Act 1999, Cross Heading: Reduced rates for members of money purchase contracted-out schemes.