

SCHEDULES

SCHEDULE 1

STATE PENSION: CONSEQUENTIAL AND RELATED AMENDMENTS

PART 7

ADDITIONAL PENSION: SIMPLIFIED ACCRUAL RATES

Social Security Contributions and Benefits Act 1992 (c. 4)

- 35 In section 176 of the SSCBA (parliamentary control)—
- (a) in subsection (1)(c) (orders subject to affirmative procedure) at the appropriate place insert—
“section 122(8);”;
 - (b) in subsection (4) (certain orders not subject to parliamentary procedure) after “second appointed year” insert “or designating the flat rate introduction year”.

Pension Schemes Act 1993 (c. 48)

- 36 In section 12B of the Pension Schemes Act 1993 (reference scheme)—
- (a) in subsection (5) (definition of earner’s qualifying earnings) in paragraph (b), for “the upper earnings limit for that year multiplied by fifty-three” substitute “the applicable limit”;
 - (b) in subsection (7), before the definition of “normal pension age” insert—
““the applicable limit” means—
 - (a) in relation to a tax year before the flat rate introduction year, the upper earnings limit for the year multiplied by 53;
 - (b) in relation to the flat rate introduction year or any subsequent tax year, the upper accrual point;”.
- 37 In section 41 of that Act (reduced rates of Class 1 contributions)—
- (a) in subsection (1) (earnings relevant for subsections (1A) and (1B) limited by upper earnings limit) for “the current upper earnings limit” substitute “the applicable limit”;
 - (b) after that subsection insert—
“(1ZA) In subsection (1)—
 - (a) “the applicable limit”—
 - (i) in relation to a tax week falling in a tax year before the flat rate introduction year, means the upper earnings limit for the week in question;

Status: This is the original version (as it was originally enacted).

- (ii) in relation to a tax week falling in the flat rate introduction year or any subsequent tax year, means the upper accrual point divided by 52; and
 - (b) “prescribed”—
 - (i) in relation to the lower or upper earnings limit, means (in accordance with section 5(4) of the Social Security Contributions and Benefits Act 1992) prescribed under that provision;
 - (ii) in relation to the amount mentioned in paragraph (a)(ii) above, means (in accordance with section 181) prescribed by regulations under this Act.”
- 38 In section 181(1) of that Act (general interpretation) insert at the appropriate places—
 - ““the flat rate introduction year” has the meaning given by section 122 of the Social Security Contributions and Benefits Act 1992;”;
 - ““the upper accrual point” has the meaning given by section 122 of the Social Security Contributions and Benefits Act 1992;”.
- 39 In Schedule 4 to that Act (priority in bankruptcy etc.) in paragraph 2 (employer’s contributions to occupational pension scheme)—
 - (a) in sub-paragraph (5) in paragraph (b) of the definition of “reckonable earnings”, for “the current upper earnings limit” substitute “the applicable limit”; and
 - (b) after that sub-paragraph insert—
 - “(6) “The applicable limit” means—
 - (a) in relation to a payment made in a tax week falling in a tax year before the flat rate introduction year, the upper earnings limit for the week in question;
 - (b) in relation to a payment made in a tax week falling in the flat rate introduction year or any subsequent tax year, the upper accrual point divided by 52.”