
STATUTORY INSTRUMENTS

2001 No. 1356

PENSIONS

**The Social Security (Reduced Rates of Class 1 Contributions)
(Salary Related Contracted-out Schemes) Order 2001**

Made - - - - *3rd April 2001*
Coming into force - - *6th April 2002*

Whereas the Secretary of State has, under section 42 of the Pension Schemes Act 1993, laid before each House of Parliament a report stating what, in view of the report by the Government Actuary under that section, alteration is in his opinion required in the percentages should be under section 41(1A) and (1B) of that Act⁽¹⁾:

And whereas a draft of the following Order was, in accordance with section 42 of the Pension Schemes Act 1993, laid before, and approved by a resolution of, each House of Parliament:

Now, therefore, the Secretary of State for Social Security, in exercise of powers conferred on him by section 42 of the Pension Schemes Act 1993 and sections 38 and 181(9A) of the Pension Schemes (Northern Ireland) Act 1993⁽²⁾, and of all other powers enabling him in that behalf, hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Social Security (Reduced Rates of Class 1 Contributions) (Salary Related Contracted-out Schemes) Order 2001 and shall come into force on 6th April 2002.

Alteration of reduced rates of Class 1 contributions

2. In section 41 of the Pension Schemes Act 1993 and section 37 of the Pension Schemes (Northern Ireland) Act 1993⁽³⁾ (reduced rates of Class 1 contributions) in subsection (1B) for “3 per cent”, substitute “3.5 per cent”.

(1) 1993 c. 48. Sections 41(1A) and (1B) were substituted by paragraph 6(3) of Schedule 9 to the Welfare Reform and Pensions Act 1999 (c. 30). Section 42 was amended by section 137 of, and paragraph 41 of Schedule 5 to, the Pensions Act 1995 (c. 26) and section 34 of, and paragraph 4 of Schedule 5 to, the Child Support, Pensions and Social Security Act 2000 (c. 19).

(2) 1993 c. 49. Section 38 was amended by Article 134 of the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) and by paragraph 51 of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671). Section 181(9A) was inserted by paragraph 76 of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999.

(3) Section 37(1B) was substituted by paragraph 6(3) of Schedule 10 to the Welfare Reform and Pensions Act 1999.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Signed by authority of the Secretary of State for Social Security.

3rd April 2001

Jeff Rooker
Minister of State,
Department of Social Security

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, a draft of which has been laid before, and approved by a resolution of, each House of Parliament, is made as a consequence of a review by the Secretary of State under section 42 of the Pension Schemes Act 1993 following a report by the Government Actuary in relation to the contracted-out percentages under section 41 of that Act.

This Order alters with effect from 6th April 2002 the contracted-out percentage to be deducted from secondary Class 1 contributions in respect of members of salary related contracted-out pension schemes for the purposes of section 41 of the Pension Schemes Act 1993 and section 37 of the Pension Schemes (Northern Ireland) Act 1993 (article 2). The contracted-out percentage for primary Class 1 contributions remains unchanged.

In accordance with section 42 of the Pension Schemes Act 1993, a copy of the report by the Government Actuary on the percentages for the time being applying under section 41(1A) and (1B) of that Act and the changes since his last report under section 42 in the factors which, in his opinion, are required so as to reflect the cost of providing benefits of an actuarial value equivalent to that of the benefits (or parts of benefits) which, under section 48A of that Act and Schedule 4A to the Social Security Contributions and Benefits Act 1992 (effect of reduced contributions and rebates on social security benefits), are foregone by or in respect of members of salary related contracted-out schemes, was laid before Parliament with a draft of this Order together with a copy of the report by the Secretary of State.

These reports are contained in a Command Paper published by The Stationery Office Limited (Cm. 5076).