
EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made following a review by the Secretary of State under section 148A (revaluation of low earnings threshold) of the Social Security Administration Act 1992 (c. 5) of the general level of earnings in Great Britain with a view to determining whether, and if so by how much, the amount of the low earnings threshold for the purposes of the Social Security Contributions and Benefits Act 1992 (c. 4) should be increased for future tax years.

The low earnings threshold is the amount by reference to which the three surplus earnings bands are determined for the purpose of calculating the additional pension (the state second pension) in a state retirement pension.

As a result of that review, it appears to the Secretary of State that the general level of such earnings during the period from 1st October 2007 to 30th September 2008 has increased by 3.1 per cent.

This Order directs that the low earnings threshold for the tax years following 2008 – 2009 shall be £13,900. The threshold for the tax year 2008 – 2009 was directed to be £13,500 by virtue of the Social Security Pensions (Low Earnings Threshold) Order 2008 (S.I. 2008/726).

A full impact assessment has not been produced for this instrument as it has no new impact on the private or voluntary sectors.