

## SCHEDULES

### SCHEDULE 1

Section 4

#### CONSEQUENTIAL AMENDMENTS

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

- 1 The Social Security Contributions and Benefits Act 1992 is amended as follows.
- 2 In section 22 (earnings factors), after subsection (8) insert—
  - “(9) References in this Act or any other Act to earnings factors derived from so much of a person’s earnings as do not exceed the upper accrual point or the upper earnings limit are to be read, in relation to earners paid otherwise than weekly, as references to earnings factors derived from so much of those earnings as do not exceed the prescribed equivalent.”
- 3 (1) Section 23 is amended as follows.
  - (2) In subsection (3)(a), for “subsection” substitute “subsections (3A) and”.
  - (3) After subsection (3) insert—
    - “(3A) For the purposes specified in section 22(2)(b) (additional pension), subsection (3)(a) has effect in relation to 2009-10 and subsequent tax years as if the reference to the upper earnings limit were to the upper accrual point.”
- 4 (1) Section 44A (deemed earnings factors) is amended as follows.
  - (2) In subsection (1)(a), for “the upper earnings limit” substitute “the applicable limit”.
  - (3) After subsection (5) insert—
    - “(5A) In subsection (1)(a) “the applicable limit” has the same meaning as in section 44.”
- 5 In section 44B(2)(a) (deemed earnings factors: 2010-11 onwards), for “the applicable limit” substitute “the upper accrual point”.
- 6 (1) Paragraph 1 of Schedule 1 (Class 1 contributions where earner employed in more than one employment) is amended as follows.
  - (2) In sub-paragraph (3) (as it has effect without the amendments made by paragraph 45(2) of Schedule 4 to the Pensions Act 2007 (c. 22))—
    - (a) in paragraph (b), for “the current upper earnings limit” (in both places) substitute “the upper accrual point”,
    - (b) after that paragraph insert—
      - “(ba) if paragraph (b) applies, the amount obtained by applying the main primary percentage referred to in paragraph (d) to such part of the aggregated earnings attributable to COMPS service as, when added to the APPS earnings (if any),

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- exceeds the upper accrual point and does not exceed the current upper earnings limit,”,
- (c) in paragraph (c), for “the current upper earnings limit” (in both places) substitute “the upper accrual point”, and
- (d) after that paragraph insert—
- “(ca) if paragraph (c) applies, the amount obtained by applying the main primary percentage referred to in paragraph (d) to such part of the aggregated earnings attributable to COSRS service as, when added to the APPS earnings or the part attributable to COMPS service (or both), exceeds the upper accrual point and does not exceed the current upper earnings limit.”.
- (3) In sub-paragraph (3) (as amended by sub-paragraph (2) above and by paragraph 45(2) of Schedule 4 to the Pensions Act 2007 (c. 22))—
- (a) omit paragraph (ba),
- (b) in paragraph (c)—
- (i) omit “if some of the aggregated earnings are attributable to COSRS service,”, and
- (ii) for “the current upper earnings limit” substitute “the upper accrual point”, and
- (c) in paragraph (ca), omit—
- (i) “if paragraph (c) applies”, and
- (ii) “, when added to the APPS earnings or the part attributable to COMPS service (or both),”.
- (4) After sub-paragraph (10) insert—
- “(11) In relation to such earners, any reference in this paragraph to the upper accrual point is to be read as a reference to the prescribed equivalent (see section 122(6A)).”
- (5) The amendments made by sub-paragraphs (2) and (4) have effect in relation to 2009-10 and subsequent tax years.

*Pension Schemes Act 1993 (c. 48)*

- 7 The Pension Schemes Act 1993 is amended as follows.
- 8 (1) Section 8 (meaning of “contracted-out employment” etc) is amended as follows.
- (2) In subsection (2), in the definition of “minimum payment”, for “the current upper earnings limit” substitute “the applicable limit”.
- (3) After that subsection insert—
- “(2A) In subsection (2) “the applicable limit” means—
- (a) in relation to a tax year before 2009-10, the upper earnings limit;
- (b) in relation to 2009-10 or any subsequent tax year, the upper accrual point.”
- 9 In section 12B(7) (contracted-out pension scheme: reference scheme), in the definition of “the applicable limit”—

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- (a) for “the flat rate introduction year” (in both places) substitute “2009-10”,  
and
  - (b) in paragraph (b), after “point” insert “multiplied by 53”.
- 10 (1) Section 41 (reduced rates of Class 1 contributions for members of salary related contracted-out schemes) is amended as follows.
  - (2) In subsection (1) for “the applicable limit for that week” substitute “the upper accrual point”.
  - (3) Omit subsection (1ZA).
  - (4) The amendments made by this paragraph have effect in relation to 2009-10 and subsequent tax years.
- 11 (1) In section 42A(1) (reduced rates of Class 1 contributions, and rebates, for members of money purchase contracted-out schemes), for “the current upper earnings limit for that week” substitute “the upper accrual point”.
  - (2) The amendment made by sub-paragraph (1) has effect in relation to 2009-10 and subsequent tax years.
- 12 (1) In section 45(1) (personal pensions: amount of minimum contributions), for “the current upper earnings limit for that week” substitute “the upper accrual point”.
  - (2) The amendment made by sub-paragraph (1) has effect in relation to 2009-10 and subsequent tax years.
- 13 (1) Paragraph 2 of Schedule 4 (priority in bankruptcy etc: employee’s contributions to occupational pension scheme) is amended as follows.
  - (2) In sub-paragraph (5), in paragraph (b) of the definition of “reckonable earnings”, for “the applicable limit” substitute “the upper accrual point”.
  - (3) Omit sub-paragraph (6).
  - (4) The amendments made by this paragraph have effect in relation to payments made in a tax week falling in 2009-10 or any subsequent tax year.