
STATUTORY INSTRUMENTS

1992 No. 795

PENSIONS

**The Social Security (Class 1 Contributions
– Contracted-out Percentages) Order 1992**

Made - - - - *16th March 1992*
Coming into force - - *6th April 1993*

Whereas a draft of the following Order was in accordance with section 28(4) of the Social Security Pensions Act 1975 laid before Parliament and approved by resolution of each House of Parliament. Now, therefore, the Secretary of State for Social Security, in exercise of the powers conferred upon him by section 28(4) and (7) of the Social Security Pensions Act 1975(1) and of all other powers enabling him in that behalf, having on a review under the said section 28 considered that there should be an alteration in both of the contracted-out percentages provided by section 27(2)(2) of the said Act, hereby makes the following Order:–

Citation and commencement

1. This Order may be cited as the Social Security (Class 1 Contributions–Contracted-out Percentages) Order 1992, and shall come into force on 6th April 1993.

Alteration of contracted-out rates of Class 1 contributions

2. In the definition of “the contracted-out percentage” contained in section 27(2) of the Social Security Pensions Act 1975 the following alterations shall be made–

- (a) for the figure “2.0” there shall be substituted “1.8”; and
- (b) for the figure “3.8” there shall be substituted “3.0”.

Consequential provision

3. In paragraph 2(2) of Schedule 3 to the Social Security Pensions Act 1975(3) (priority in bankruptcy: employer’s contributions to an occupational pension scheme), so far as the percentages

(1) 1975 c. 60. Subsection (7) was inserted into section 28 by the Social Security Act 1985 (c. 53), Schedule 5, paragraph 18.
(2) Section 27(2) was amended by the Social Security (Class 1 Contributions–Contracted-out Percentages) Order 1987 (S.I. 1987/656).
(3) Paragraph 2(2) was amended by the Social Security Act 1985 (c. 53), Schedule 5, paragraph 36; by the Social Security Act 1986 (c. 50), Schedule 2, paragraph 12(b); by the Insolvency Act 1985 (c. 65), Schedule 8, paragraph 26(4); and by S.I. 1987/656, article 3.

Status: This is the original version (as it was originally made).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

specified in that paragraph apply in relation to earnings paid or payable as from 6th April 1993 the following alterations shall be made—

- (a) for the figure “5.8” there shall be substituted “4.8”; and
- (b) for the figure “3.8” there shall be substituted “3.0”.

Revocation and Saving

4. The Social Security (Class 1 Contributions—Contracted-out Percentages) Order 1987(4) is hereby revoked so however that such revocation shall not affect the operation of article 3 of that Order in relation to earnings paid or payable prior to the 6th April 1993.

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

16th March 1992

Henley
Parliamentary Under-Secretary 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 consequent upon the third review made under section 28 of the Social Security Pensions Act 1975 (“the 1975 Act”), following a report by the Government Actuary under that section in relation to the contracted-out percentages under section 27 of the 1975 Act and to changes in the cost to occupational pension schemes of providing guaranteed minimum pensions. The Order decreases, with effect from 6th April 1993, the contracted-out percentages to be deducted from the normal percentage for both primary and secondary Class 1 contributions. Consequential changes are also made to paragraph 2(2) of Schedule 3 to the 1975 Act, (priority in bankruptcy: calculation of employer’s contribution to an occupational pension scheme), by article 3 of this Order.

In accordance with section 28(1) of the 1975 Act a copy of the report by the Government Actuary, and a copy of a report by the Secretary of State for Social Security in the light of the Government Actuary’s report, were both laid before Parliament with the draft Order.

These reports are contained in a Command Paper published by Her Majesty’s Stationery Office (Cm. 1850).