Draft Order laid before Parliament under section 45A of the Pension Schemes Act 1993 for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2001 No.

PENSIONS

The Social Security (Minimum Contributions to Appropriate Personal Pension Schemes) Order 2001

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

Whereas the Secretary of State has, under section 45A of the Pension Schemes Act 1993, laid before each House of Parliament a report stating what, in view of the report of the Government Actuary under that section, he considers the appropriate age-related percentages should be for the purposes of section 45 of that Act(**1**):

And whereas a draft of the following Order was, in accordance with section 45A 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 sections 45A and 182(2) of the Pension Schemes Act 1993 and sections 41A 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.—(1) This Order may be cited as the Social Security (Minimum Contributions to Appropriate Personal Pension Schemes) Order 2001 and shall come into force on 6th April 2002.

(2) In this Order—

(a) "LET" means the low earnings threshold for the tax year in question as specified in—

(i) section 44A of the Social Security Contributions and Benefits Act 1992(**3**) or,

(**1**) 1993 c. 48. Section 45 was amended by section 138(1) to (4) of, and paragraph 43 of Schedule 5 to, the Pensions Act 1995 (c. 26) and paragraph 49 of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2). Section 45A was inserted by section 138(5) of the Pensions Act 1995 and amended by section 34 of the Child Support, Pensions and Social Security Act 2000 (c. 19).

(**2**) Section 41A was inserted by Article 135(5) of the Pensions (Northern Ireland) Order 1995 (S.I.1995/3213 (N.I. 22)) and amended by paragraph 57 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**) 1992 c. 4. Section 44A was inserted by section 30(3) of the Child Support, Pensions and Social Security Act 2000 (c. 19).

(ii) in relation to Northern Ireland, section 44A of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**4**);

(b) "qualifying earnings factor" means the same as in—

(i) section 122(1) of the Social Security Contributions and Benefits Act 1992 or,

(ii) in relation to Northern Ireland, section 121(1) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992;

(c) "QEF" means the qualifying earnings factor for that tax year;

(d) "2QEF" means the amount produced by doubling QEF, rounded to the nearest £100 (taking any amount of £50 as nearest to the previous whole £100).

Appropriate age-related percentages

2.—(1) For the purposes of section 45 of the Pension Schemes Act 1993 and section 41 of the Pension Schemes (Northern Ireland) Act 1993(**5**) (amount of minimum contributions) the appropriate age-related percentages in respect of earners—

(a) for the tax year 2002–03 are those specified in the Table set out in Schedule 1 to this Order;

(b) for the tax year 2003–04 are those specified in the Table set out in Schedule 2 to this Order;

(c) for the tax year 2004–05 are those specified in the Table set out in Schedule 3 to this Order;

(d) for the tax year 2005–06 are those specified in the Table set out in Schedule 4 to this Order;

(e) for the tax year 2006–07 are those specified in the Table set out in Schedule 5 to this Order, by reference to their ages on the last day of the preceding tax year.

(2) The appropriate age-related percentage in respect of an earner whose age on that day is specified in Column A of any such Table—

(a) in the case of an earner whose earnings do not exceed LET, shall be the percentage specified in Column B;

(b) in the case of an earner whose earnings which exceed LET but do not exceed 3LET-2QEF, shall—

(i) in so far as those earnings do not exceed LET, be the percentage specified in Column B,

(ii) in so far as those earnings exceed LET, be the percentage specified in Column C;

(c) in the case of an earner whose earnings exceed 3LET-2QEF, shall—

(i) in so far as those earnings do not exceed LET, be the percentage specified in Column B,

(ii) in so far as those earnings exceed LET but do not exceed 3LET-2QEF, be the percentage specified in Column C,

(iii) in so far as those earnings exceed 3LET-2QEF, be the percentage specified in Column D.

(**4**) 1992 c. 7. Section 44A was inserted by section 29(3) of the Child Support, Pensions and Social Security Act (Northern Ireland) 2000 (c. 4 (N.I.)).

(**5**) Section 41 was amended by Article 135(1) to (4) of the Pensions (Northern Ireland) Order 1995 and by paragraph 56 of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999.

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

Minister of State
2001 Department of Social Security

SCHEDULE 1 Article 2(1)(a)

Appropriate age-related percentages for the tax year 2002–03

Column A Age on last day of preceding tax year	*Column B* Earnings not exceeding LET	*Column C* Earnings exceeding LET but not 3LET-2QEF	*Column D* Earnings exceeding 3LET-2QEF
15	8.4	2.10	4.2
16	8.4	2.10	4.2
17	8.4	2.10	4.2
18	8.6	2.15	4.3
19	8.6	2.15	4.3
20	8.8	2.20	4.4
21	8.8	2.20	4.4
22	9.0	2.25	4.5
23	9.0	2.25	4.5
24	9.0	2.25	4.5
25	9.2	2.30	4.6
26	9.2	2.30	4.6
27	9.4	2.35	4.7
28	9.4	2.35	4.7
29	9.6	2.40	4.8
30	9.6	2.40	4.8
31	9.8	2.45	4.9
32	9.8	2.45	4.9
33	10.0	2.50	5.0
34	10.0	2.50	5.0
35	10.0	2.50	5.0
36	10.2	2.55	5.1
37	10.2	2.55	5.1
38	10.4	2.60	5.2
39	10.4	2.60	5.2
40	10.8	2.70	5.4
41	11.2	2.80	5.6
42	11.4	2.85	5.7
43	11.8	2.95	5.9
44	12.2	3.05	6.1

Column A Age on last day of preceding tax year	*Column B* Earnings not exceeding LET	*Column C* Earnings exceeding LET but not 3LET-2QEF	*Column D* Earnings exceeding 3LET-2QEF
45	12.6	3.15	6.3
46	13.0	3.25	6.5
47	14.0	3.50	7.0
48	15.6	3.90	7.8
49	17.6	4.40	8.8
50	19.8	4.95	9.9
51	21.0	5.25	10.5
52	21.0	5.25	10.5
53	21.0	5.25	10.5
54	21.0	5.25	10.5
55	21.0	5.25	10.5
56	21.0	5.25	10.5
57	21.0	5.25	10.5
58	21.0	5.25	10.5
59	21.0	5.25	10.5
60	21.0	5.25	10.5
61	21.0	5.25	10.5
62	21.0	5.25	10.5
63	21.0	5.25	10.5

SCHEDULE 2

Article 2(1)(b)

Appropriate age-related percentages for the tax year 2003–04

Column A Age on last day of preceding tax year	*Column B* Earnings not exceeding LET	*Column C* Earnings exceeding LET but not 3LET-2QEF	*Column D* Earnings exceeding 3LET-2QEF
15	8.4	2.10	4.2
16	8.4	2.10	4.2
17	8.4	2.10	4.2
18	8.6	2.15	4.3
19	8.6	2.15	4.3
20	8.8	2.20	4.4