

Draft Order laid before Parliament under section 42B(1) of the Pension Schemes Act 1993 for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

1998 No.

PENSIONS

**The Social Security (Reduced Rates of
Class 1 Contributions, and Rebates) (Money
Purchase Contracted-out Schemes) Order 1998**

Made - - - - *1998*
Coming into force - - *6th April 1999*

Whereas the Secretary of State has, under section 42B of the Pension Schemes Act 1993(1), laid before each House of Parliament a report, stating what, in view of the report of the Government Actuary under that section, she considers the appropriate flat-rate and age-related percentages should be for the purposes of section 42A of that Act:

And whereas a draft of the following Order was, in accordance with section 42B 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 the powers conferred on her by section 42B of the Pension Schemes Act 1993 and of all other powers enabling her 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, and Rebates) (Money Purchase Contracted-out Schemes) Order 1998 and shall come into force on 6th April 1999.

Reduced rates of Class 1 contributions, and rebates

2. For the purposes of section 42A of the Pension Schemes Act 1993 (reduced rates of Class 1 contributions, and rebates)—

- (a) the appropriate flat-rate percentage in respect of earners for the tax years 1999–2000 to 2001–2002, in the case of a primary Class 1 contribution is 1.6 per cent., and in the case of a secondary Class 1 contribution is 0.6 per cent.;

(1) 1993 c. 48. Sections 42A and 42B were inserted by section 137(5) of the Pensions Act 1995 (c. 26).

- (b) the appropriate age-related percentages in respect of earners for the tax years 1999–2000 to 2001–2002 are the percentages specified in the Table set out in the Schedule to this Order, by reference to the earners' ages on the last day of the preceding tax year.

Amendment of previous Order

3. In the Social Security (Reduced Rates of Class 1 Contributions and Rebates) (Money Purchase Contracted-out Schemes) Order 1996(2)—

- (a) in article 2, for the words “to 2001–02” (in both places where they occur) there shall be substituted the words “and 1998–99”; and
- (b) in the Table in the Schedule, the columns relating to the tax years 1999–2000, 2000–2001 and 2001–2002 shall be omitted.

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

1998

Parliamentary Under-Secretary of State,
Department of Social Security