

Social Security Act 1986

CHAPTER 50

Note: The material reproduced or annotated below is limited to what is relevant to this volume, comprising ss.7, 9(8) and (9).

The other provisions of this Act are covered in volume 1.

An Act to make provision in relation to personal pension schemes, to amend the law relating to social security, occupational pension schemes and the provision of refreshments for school pupils, to abolish maternity pay under the Employment Protection (Consolidation) Act 1978 and provide for the winding-up of the Maternity Pay Fund, to empower the Secretary of State to pay the travelling expenses of certain persons, and for connected purposes.

[25th July 1986]

Words of enactment omitted under authority of Statute Law Revision Act 1948 (c. 62), s.3.

PART I

PENSIONS

Ss. 1–5—see volume 1.

Occupational pension schemes

S.6 repealed—see volume 1.

[S.7 was repealed (7.2.94) by Sch. 5 to the Pension Schemes Act 1993 (c.48), but is reproduced below in view of the saving in para. 22 of Sch. 6 *ibid.*]

[7.—(1) Subject to subsection (3) below and except in such cases as may be prescribed, where an occupational pension scheme becomes a contracted-out scheme under Part III of the Social Security Pensions Act 1975 during the period beginning on 1st January 1986 and ending on 5th April 1993, having not previously been contracted-out during any part of that period, the [1 Commissioners of Inland Revenue] shall make in relation to any tax week falling within the period beginning on 6th April 1988 and ending on 5th April 1993 a payment under this section in respect of each earner who is in employment which—

- (a) is contracted-out by reference to the scheme during that tax week; and
- (b) has not previously been contracted-out employment by reference to any other scheme during any part of the period beginning on 1st January 1986 and ending on 5th April 1993.

(2) The [1 Commissioners of Inland Revenue] shall make a payment under this section to the trustees or managers of the scheme except that in such circumstances as may be prescribed [1 the Commissioners] shall make such a payment to a prescribed person.

Schemes becoming contracted-out between 1986 and 1993.

¹ Words in s. 7(1)&(2) substituted (1.4.99) by Transfer of Functions Act 1999 (c. 11), Sch.1, para. 1(a) &(b).

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(3) A payment under this section shall not be made unless the prescribed person makes a claim for it in such manner and form, and at such time or within such period, as may be prescribed.

- (4) The amount of a payment under this section in respect of a tax week is—
 - (a) 2 per cent. of so much of any earnings paid to or for the benefit of the earner in respect of the employment which is contracted-out by reference to the scheme in the tax week as exceeds the lower earnings limit for that week but does not exceed the upper earnings limit for it; or
 - (b) if 2 per cent. of any such earnings is less than £1.00, £1.00.

(5) The references to the upper and lower earnings limits in subsection (4) above are references, in the case of an earner who is paid otherwise than weekly, to their prescribed equivalents under [¹sections 6(1) and 8(3) of the Social Security Contributions and Benefits Act 1992].

- (6) Regulations may make provision—
 - (a) for earnings to be calculated or estimated in such manner and on such basis as may be prescribed for the purpose of determining whether any, and if so what, payments under this section are to be made in respect of them;
 - (b) for the adjustment of amounts which would otherwise be the amounts of payments under this section so as to avoid the payment of fractional amounts;
 - (c) for the intervals at which, for the purposes of payments under this section, payments of earnings are to be treated as made;
 - (d) for this section to have effect, in prescribed cases, as if for any reference to a tax week there were substituted a reference to a prescribed period and as if in any case so prescribed for the references to £1.00 in subsection (4)(b) above there were substituted references to such other sum as may be prescribed; and
 - (e) as to the manner in which, and time at which or period within which, payments under this section are to be made.

(7) Where in the case of a scheme a payment has been made under this section in relation to an earner—

1975 c. 60.

- (a) if a premium is paid under section 42 of the Social Security Pensions Act 1975 in relation to him, the amount of the premium shall be increased by the amount of the payment; and
- (b) if a premium is paid under section 44 or 44A of that Act in relation to him, the amount of the premium shall be increased by the amount of the payment and by a further amount representing interest on the payment and calculated in accordance with regulations.

(8) If the [²Commissioners of Inland Revenue make] a payment under this section which [²they are] not required to make, [²they may] recover the amount of the payment from the person to whom [²they paid] it, or from any person in respect of whom [²they paid] it.

(9) If [²Commissioners of Inland Revenue make] in respect of an earner a payment under this section which [²they are] required to make, but [⁶do] not make it to the trustees or managers to whom [²they are] required to make it, he may recover the amount of the payment from the person to whom [²they paid] it or from the earner.]

S. 8 repealed—see volume 1.

S. 9(1)–(7) repealed—see volume 1

9.—(8) and (9) amends 1975 c. 60, see Annex 1, page 5.971

S. 10 to end—see volume 1.

¹ Words in s. 7(5) substituted (1.7.92) by Social Security (Consequential Provisions) Act 1992 (c. 6), Sch. 2, para. 78.

² Words in s. 7(8)&(9) substituted (1.4.99) by Transfer of Functions Act 1999 (c. 11), Sch. 1, para 1(c)&(d).

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LIST OF OMISSIONS

The following provisions have been omitted from the text for the reasons stated:-

s.9(8) inserts (6.4.88) subsec. (5A) into s.59 of S.S.P. Act 1975
(c.60)

s.9(9) inserts (6.4.88) subsec. (2A) into s.59A of S.S.P. Act 1975
(c.60)

all provisions

other than

ss.7, 9(8)

and (9) see Volume 1

Social Security Act 1986
COMMENCEMENT DATES

(a) List of Commencement Orders relevant to provisions reproduced or annotated in this volume.

<i>S.I. No.</i>	<i>Title of Order</i>	<i>Page no. if reproduced in these volumes</i>
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1987/543	Social Security Act 1986 (Commencement No. 6) Order 1987
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(b) Dates on which provisions of the Social Security Act 1986 came into force

<i>Section of Social Security Act 1985</i>	<i>Commencement date</i>	<i>Relevant Commencement Order etc.</i>
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7	6 April 1988	S.I. 1987/543
9	6 April 1988	S.I. 1987/543
