STATUTORY INSTRUMENTS

1983 No. 380

PENSIONS

The Contracted-out Employment (State Scheme Premiums) Regulations 1983

Made - - - - -	*11th March* 1983
Laid before Parliament	*16th March* 1983
Coming into Operation	*6th April* 1983

The Secretary of State for Social Services, in exercise of the powers conferred upon him by paragraph 6(3) and (4) of Schedule 2 to the Social Security Pensions Act 1975**(a)** and of all other powers enabling him in that behalf, after considering the report of the Occupational Pensions Board on the draft submitted to them, hereby makes the following regulations:—

Citation, commencement and interpretation

1.—(1) These regulations may be cited as the Contracted-out Employment (State Scheme Premiums) Regulations 1983 and shall come into operation on 6th April 1983.

(2) In these regulations, unless the context otherwise requires—

"the Act" means the Social Security Pensions Act 1975;

"the Board" means the Occupational Pensions Board;

"the 1976 Regulations" means the Contracted-out Employment (Notifications, Premium Payment and Miscellaneous Provisions) Regulations 1976**(b)**;

"premium" means an accrued rights premium, limited revaluation premium or pensioner's rights premium within the meaning of the Act;

and other expressions have the same meaning as in the Act.

Parts of state scheme premiums to be treated as paid in certain cases

2.—(1) In a case where the amount of a premium (including a premium calculated in accordance with section 44(5)(*a*) or (*b*) of the Act as modified by regulation 8(8)(*b*)(iii) or (iv) of the 1976 Regulations) is payable and its amount exceeds $\frac{5X}{4}$, the amount of the excess shall be treated for all purposes as having been paid.

(a) 1975 c. 60; paragraph 6(3) of Schedule 2 was amended, and paragraph 6(4) inserted, by the Social Security Act 1980 (c. 30), Section 3(12).

(b) S.I. 1976/143; the relevant amending instruments are S.I. 1978/250, 1983/338.

(2) In paragraph (1) of this regulation, X means that amount which would be the amount of the premium under the State Scheme Premiums (Actuarial Tables) Regulations 1978**(a)** if the amendments made to those regulations by the State Scheme Premiums (Actuarial Tables) Amendment Regulations 1982**(b)** were disregarded.

(3) Where the premium is an accrued rights premium or a pensioner's rights premium, the amount of the excess referred to in paragraph (1) of this regulation shall, for the purpose of extinguishing the accrued rights of the earner in question or the rights of the pensioner in question to guaranteed minimum pensions under a scheme, be treated as having been paid on whichever is the later of—

(*a*) the date on which the scheme ceased to be contracted-out, and

(*b*) any date certified by the Board under regulation 3(4)(*c*) of the 1976 Regulations in relation to those rights.

(4) Where a premium has been treated as paid under paragraph (1) of this regulation, the effect of that paragraph shall be disregarded if—

(*a*) the Board subsequently approve arrangements for the preservation or transfer of the earner's accrued rights to or, as the case may be, pensioner's rights to guaranteed minimum pensions, or

(*b*) except in a case to which regulation 8(4) of the 1976 Regulations applies, the person who is liable to pay that premium fails to do so within the period prescribed by regulation 5(1), or such longer period as the Secretary of State may allow under regulation 5(2), of the 1976 Regulations.

(5) In a case in which paragraph (1) of this regulation has effect—

(*a*) regulation 3(3) of the 1976 Regulations shall have effect as if the reference to the amount of a state scheme premium were a reference to the amount of that part of the premium which is not treated as paid under paragraph (1) of this regulation;

(*b*) paragraph (1) of regulation 8 of the 1976 Regulations shall have effect as if the reference to treating a premium as paid or paid in part (for the purpose specified in that paragraph) were a reference to treating as paid or paid in part (for that purpose) that part of the premium which is not treated as paid under paragraph (1) of this regulation; and

(*c*) regulations 8(2) to (8) (including the additional words for sections 43(7) and 44(9) of the Act set out in regulation 8(8)) and 8A(1) to (4) of the 1976 Regulations shall have effect as if the word "premium", where the amount of a premium is in question, meant that part of a premium which is not treated as paid under paragraph (1) of this regulation.

Signed by Authority of the Secretary of State for Social Services.

Trefgarne,
Parliamentary Under Secretary of State,
Department of Health and Social Security.

11th March 1983.

(a) S.I. 1978/134, amended by S.I. 1982/492. **(b)** S.I. 1982/492.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

The State Scheme Premiums (Actuarial Tables) Amendment Regulations 1982 amended the method of calculating the average market level indicator set out in the State Scheme Premiums (Actuarial Tables) Regulations 1978.

These regulations provide that, in a case where a premium is more than a quarter as large again as it would have been but for that amendment, the excess is to be treated as paid; and that the existing provisions of the Contracted-out Employment (Notifications, Premium Payment and Miscellaneous Provisions) Regulations 1976, as amended by the Contracted-out Employment (Miscellaneous Provisions) Regulations 1983, about treating a premium as paid or paid in part are to apply to that part of the premium which is not treated as paid under these regulations.

The report of the Occupational Pensions Board on the preliminary draft of these regulations, dated 2nd March 1983, is contained in a Command paper (Cmnd. 8829) published by Her Majesty's Stationery Office.

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