STATUTORY INSTRUMENTS

2006 No. 500

SOCIAL SECURITY

The Social Security Pensions (Low Earnings Threshold) Order 2006

Made - - -	*27th February 2006*
Laid before Parliament	*3rd March 2006*
Coming into force - -	*6th April 2006*

The Secretary of State for Work and Pensions has reviewed the general level of earnings obtaining in Great Britain as required by section 148A of the Social Security Administration Act 1992(**a**) and it appears to him that the general level of earnings has increased during the review period.

Accordingly, the Secretary of State, in exercise of the powers conferred on him by section 148A, makes the following Order.

Citation and commencement

1. This Order may be cited as the Social Security Pensions (Low Earnings Threshold) Order 2006 and shall come into force on 6th April 2006.

Low earnings threshold

2. It is hereby directed that, for the purposes of the Social Security Contributions and Benefits Act 1992(**b**), the low earnings threshold(**c**) for the tax years following the tax year 2005 – 2006 shall be £12,500.

Signed by authority of the Secretary of State for Work and Pensions.

Stephen C. Timms
Minister of State,
Department for Work and Pensions

27th February 2006

(**a**) 1992 c.5. *See* subsections (1) and (2) of section 148A which was inserted by section 33(1) of the Child Support, Pensions and Social Security Act 2000 (c.19).
(**b**) 1992 c.4.
(**c**) *See* section 44A of the Social Security Contributions and Benefits Act 1992 as inserted by section 30(3) of the Child Support, Pensions and Social Security Act 2000.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made following a review by the Secretary of State under section 148A(1) of the Social Security Administration Act 1992 (c.5) of the general level of earnings in Great Britain with a view to determining whether, and if so by how much, the amount of the low earnings threshold for the purposes of the Social Security Contributions and Benefits Act 1992 (c.4) should be increased for future tax years. As a result of that review, it appears to the Secretary of State that the general level of such earnings during the period from 1st October 2004 to 30th September 2005 has increased by 3.4 per cent.

This Order directs that the low earnings threshold for the tax years following 2005 – 2006 shall be £12,500. The threshold for the tax year 2005 – 2006 was £12,100 by virtue of S.I. 2005/217. The low earnings threshold is the amount by reference to which the three surplus earnings bands are determined for the purpose of calculating the additional pension (the state second pension) in a state retirement pension.

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of business, charities and voluntary bodies.

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