
EXPLANATORY NOTE

(This note is not part of the Order.)

This order corresponds to an order (S.I. 1994/544) made by the Secretary of State for Social Security under sections 141(4) and (5), 142(2), 143(1), 145(2) and 189(1) and (3) of the Social Security Administration Act 1992 and section 2(2) and (8) of the Social Security Act 1993.

The order increases the amounts of weekly earnings specified in, and reduces the percentage rates appropriate to, the secondary earnings brackets in section 9(3) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (“the Act”), which determine the amount of secondary Class 1 contributions payable under the Act (Article 2). The amounts of weekly earnings are increased, in respect of Bracket 1 from £94·99 to £99·99, in respect of Bracket 2 from £95·00 and £139·99 to £100·00 and £144·99 respectively, in respect of Bracket 3 from £140·00 and £194·99 to £145·00 and £199·99 respectively and in respect of Bracket 4 from £195·00 to £200·00. The percentage rates are reduced, in respect of Bracket 1 from 4·6 to 3·6 per cent., in respect of Bracket 2 from 6·6 to 5·6 per cent., in respect of Bracket 3 from 8·6 to 7·6 per cent. and in respect of Bracket 4 from 10·4 to 10·2 per cent.

The order increases the rate of Class 2 and amount of Class 3 contributions specified in sections 11(1) and 13(1) of the Act from £5·55 to £5·65 and from £5·45 to £5·55 respectively (Articles 3(a) and 4). It also increases, from £3,140 to £3,200, the amount of earnings specified in section 11(4) of the Act below which an earner may be excepted from liability for Class 2 contributions (Article 3(b)).

The order increases the amount of Class 4 contributions payable by increasing the percentage rate specified in sections 15(3) and 18(1) of the Act at which those contributions are charged from 6·3 to 7·3 per cent. It also increases, from £6,340 to £6,490 and from £21,840 to £22,360 respectively, the lower and upper limits of profits or gains specified in those sections between which Class 4 contributions are payable (Article 5).

The order provides for Article 4(3) of the Social Security (Northern Ireland) Order 1993 to have effect for the tax year 1994-95. It also provides that the amount of appropriated money to be paid into the Northern Ireland National Insurance Fund in that year shall not exceed in aggregate 16 per cent. of the estimated benefit expenditure for the financial year ending in that tax year (Article 6).