



Social Security Act 1973

1973 CHAPTER 38

PART I

THE BASIC SCHEME

CHAPTER I:

CONTRIBUTIONS

The four classes of contributions

2 Class 1 contributions.

- (1) For the purposes of this Act, there shall for every year (which in this Part of this Act means an income tax year, except where it is otherwise stated, or the context is one relating to a person's age) be—
- (a) a lower earnings limit for Class 1 contributions, being the level of weekly earnings at which employed earners become liable for such contributions in respect of the earnings from their employments ; and
 - (b) an upper earnings limit for Class 1 contributions, being the maximum amount of weekly earnings in respect of which such contributions are payable ;
- and the lower and upper earnings limits shall be respectively £8 and £48.
- (2) Where in any income tax week earnings are paid to or for the benefit of an earner in respect of any one employment of his, being employed earner's employment, and—
- (a) he is over school-leaving age ; and
 - (b) the amount paid is equal to or exceeds the current lower earnings limit (or the prescribed equivalent in the case of earners paid otherwise than weekly),
- there shall be payable, in accordance with this section (and, except as provided by this Act, without regard to any other payment of earnings to or for the benefit of the earner in respect of any other employment), a primary and a secondary Class 1 contribution.

Status: This is the original version (as it was originally enacted).

- (3) The primary contribution shall be payable by the earner and the secondary contribution shall be payable by the secondary Class 1 contributor.
- (4) Subject to subsection (5) below, the secondary contributor, in relation to any payment of earnings to or for the benefit of an employed earner, is—
- (a) in the case of an earner employed under a contract of service, his employer;
 - (b) in the case of an earner employed in an office with emoluments, either—
 - (i) such person as may be prescribed in relation to that office, or
 - (ii) if no person is prescribed, the government department, public authority or body of persons responsible for paying the emoluments of the office.
- (5) In relation to employed earners who—
- (a) are paid earnings in an income tax week by more than one person in respect of different employments; or
 - (b) work under the general control or management of a person other than their immediate employer,
- and in relation to any other case for which it appears to the Secretary of State that such provision is needed, regulations may provide that for the purposes of this section the prescribed person is to be treated as the secondary Class 1 contributor in respect of earnings paid to or for the benefit of an earner.
- (6) The amount of a Class 1 contribution shall be a percentage of so much of the earnings paid in the week, in respect of the employment in question, as does not exceed the current upper earnings limit (or the prescribed equivalent in the case of earners paid otherwise than weekly); and (subject to regulations under Chapter III)—
- (a) the primary contribution shall be 5.25 per cent, or 0.6 per cent., according to whether the earner is liable to contribute at the standard rate or the reduced rate; and
 - (b) the secondary contribution shall be 7.5 per cent.
- (7) An employed earner liable for a primary Class 1 contribution shall be liable to contribute at the standard rate except where the earner—
- (a) is over pensionable age and has retired from regular employment; or
 - (b) although over pensionable age, has not retired from regular employment, and at the time when he attained pensionable age did not satisfy the contribution conditions for a Category A retirement pension; or
 - (c) is a married woman or widow who has elected, in accordance with regulations under section 42(2) or (4) of this Act, to contribute at the reduced rate and has not revoked her election;
- and in any of those cases the earner shall be liable to contribute at the reduced rate.