



Social Security Act 1975

1975 CHAPTER 14

PART II

BENEFIT AND ITS ADMINISTRATION

CHAPTER I

CONTRIBUTORY BENEFITS

Preliminary

13 Contribution conditions and the earnings factor

- (1) In the case of the benefits specified in section 12(1) above (except invalidity benefit), entitlement depends on contribution conditions being satisfied (either by the claimant or by some other person, according to the particular benefit); and there are set out below, in relation to each such benefit, the class or classes of contribution which for this purpose are relevant thereto:—

Short-term benefit

Unemployment benefit	Class 1
Sickness benefit	Class 1 or 2
Maternity grant	Class 1, 2 or 3
Maternity allowance	Class 1 or 2
Widow's allowance	Class 1, 2 or 3
<i>Other benefits</i>	
Widowed mother's allowance	} Class 1, 2 or 3
	Widow's pension

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Category A retirement pension
Category B retirement pension
Child's special allowance
Death grant

- (2) Subject to the following subsections, a person shall be treated as having annual earnings factors derived from his contributions in respect of each tax year, being contributions of any of the classes specified in subsection (1) above; and this shall be for the purposes—
- (a) of establishing entitlement to any benefit specified in that subsection by reference to satisfaction of contribution conditions; and
 - (b) of arriving at the weekly rate—
 - (i) of earnings-related supplement of unemployment benefit, sickness benefit or a maternity allowance, or
 - (ii) of earnings-related addition to a widow's allowance.
- (3) No earnings factor shall be derived from primary Class 1 contributions paid at the reduced rate, or from secondary Class 1 contributions; and for the purposes of earnings-related supplement of, or addition to, any benefit there shall be disregarded any Class 2 or Class 3 contributions, and any Class 1 contributions not actually paid.
- (4) Regulations may provide for crediting contributions of any class for the purpose of bringing a person's earnings factor for any tax year to a figure which will enable him to satisfy contribution conditions of entitlement to any prescribed description of benefit (whether his own entitlement or another person's), but not so as to entitle him or any other person to earnings-related supplement of, or addition to, any benefit.
- (5) Earnings factors derived from a person's contributions in respect of any tax year shall be expressed as whole numbers of pounds and be made ascertainable from tables or rules to be drawn up by the Secretary of State and embodied in regulations ; and such tables and rules shall be drawn up so that in general—
- (a) any amount of Class 1 contributions in respect of a tax year gives rise to an earnings factor for that tax year equal or approximating to the minimum actual earnings sufficient to yield contributions of that amount; and
 - (b) any number of Class 2 or Class 3 contributions in respect of a tax year gives rise to an earnings factor for that tax year equal or approximating to that year's lower earnings Emit for Class 1 contributions multiplied by the number of contributions ;
- and separate earnings factors shall be derived from contributions of different classes paid or credited in the same tax year, and from contributions which have been actually paid, as opposed to those not paid but credited.
- (6) In relation to the benefits specified in subsection (1) above, the relevant contribution conditions are those specified in Part I of Schedule 3 to this Act; and in that Schedule and in subsection (8) below—
- (a) " the contributor concerned ", for the purpose of any contribution condition, means the person by whom the condition is to be satisfied ;
 - (b) " a relevant class ", in relation to any benefit, means a class of contributions specified in relation to that benefit in subsection (1) above;

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- (c) " the earnings factor ", in relation to a person's contributions of any class or classes, means the aggregate of his earnings factors derived from all those contributions ; and
 - (d) except in the expression " benefit year ", " year " means a tax year.
- (7) In this Part of this Act, " benefit year " means a period beginning with the first Sunday in January in any calendar year and ending with the Saturday immediately preceding the first Sunday in January in the following calendar year:
- Provided that for any prescribed purposes of this Chapter " benefit year " may by regulations be made to mean such other period (whether or not a period of 12 months) as may be specified in the regulations.
- (8) Part II of Schedule 3 to this Act shall have effect as to the satisfaction of contribution conditions for benefit in certain cases where a claim for short-term benefit is, or has on a previous occasion been, made in the first or second tax year after that in which the contributor concerned first became liable for primary Class 1 or Class 2 contributions.