



Social Security Act 1985

1985 CHAPTER 53

PART II

SOCIAL SECURITY

7 Calculation of contributions

- (1) In subsection (1)(b) of section 4 of the Social Security Act 1975 (incidence of Class 1 contributions), the words " primary Class 1 " shall be substituted for the word " such".
- (2) The following subsections shall be substituted for subsection (6) of that section—

“(6) Subject to regulations under sections 128 to 132 below and to section 27 of the Pensions Act, the amount of a primary Class 1 contribution shall be the appropriate primary 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).

(6A) The appropriate primary percentage is a percentage of the rate specified in subsection (6B) below as the appropriate rate for the primary earnings bracket (or the prescribed equivalent in the case of earners paid otherwise than weekly) into which the earner's earnings fall.

(6B) Subject to any order under this section or section 122 or 123A below, the primary earnings brackets and their appropriate percentage rates shall be—

	<i>Weekly earnings</i>	<i>Percentage rate</i>
Bracket 1:	current lower earnings limit to £54-99	5 per cent.
Bracket 2:	£55-00 to £89-99	7 per cent.
Bracket 3:	£90-00 or more	9 per cent.

Status: This is the original version (as it was originally enacted).

- (6C) Subject to regulations under subsection (7) or sections 128 to 132 below and to section 27 of the Pensions Act, the amount of a secondary Class 1 contribution shall be the appropriate secondary percentage of the earnings paid in the week in respect of the employment in question.
- (6D) The appropriate secondary percentage is a percentage of the rate specified in subsection (6E) below as the appropriate rate for the secondary earnings bracket (or the prescribed equivalent in the case of earners paid otherwise than weekly) into which the earner's earnings fall.
- (6E) Subject to any order under this section or section 122 or 123 A below, the secondary earnings brackets and their appropriate percentage rates shall be—

	<i>Weekly earnings</i>	<i>Percentage rate</i>
Bracket 1:	current lower earnings limit to £54-99	5 per cent.
Bracket 2:	£55-00 to £89-99	7 per cent.
Bracket 3:	£90-00 to £129-99	9 per cent.
Bracket 4:	£130-00 or more	10-45 per cent.

- (6F) The Secretary of State may by order alter the number of primary or secondary earnings brackets below the highest bracket.
- (6G) An order under this section may make such amendments of any enactment as appear to the Secretary of State to be necessary or expedient in consequence of any such alteration made by it.
- (6H) No order shall be made under this section unless a draft of the order has been laid before, and approved by a resolution of, each House of Parliament.
- (6J) An order under this section shall be made so as to come into force—
- (a) on a date in the tax year in which it received Parliamentary approval; or
 - (b) on a date in the next tax year.
- (6K) Such an order shall have effect for the remainder of the tax year in which it comes into force and for any subsequent tax year (subject to the effect of any subsequent order under this section); and for this purpose the order is to be taken as receiving Parliamentary approval on the date on which the draft of it is approved by the second House to approve it.”.
- (3) In section 7(1) of that Act (weekly rate of Class 2 contributions), "£3-50 " shall be substituted for " £4-75".
- (4) In section 8(1) of that Act (amount of a Class 3 contribution), " £3-40 " shall be substituted for " £4-65".
- (5) The following section shall be inserted after section 123 of that Act—

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“123A Further power to alter certain contributions.

- (1) For the purposes of adjusting amounts payable by way of primary Class 1 contributions, the Secretary of State may at any time make an order amending section 4(6B) of this Act by altering any one or more of the following figures—
 - (a) the upper weekly earnings figure specified in respect of Bracket 1;
 - (b) the weekly earnings figures specified in respect of Brackets 2 and 3 ;
and
 - (c) the percentage rates specified as the appropriate rates for Brackets 1 and 2.
- (2) For the purposes of adjusting amounts payable by way of secondary Class 1 contributions, the Secretary of State may at any time make an order amending section 4(6E) of this Act by altering any one or more of the following figures—
 - (a) the upper weekly earnings figure specified in respect of Bracket 1;
 - (b) the weekly earnings figures specified in respect of Brackets 2 to 4 ;
and
 - (c) the percentage rates specified as the appropriate rates for Brackets 1 to 3.
- (3) No order shall be made under this section so as—
 - (a) to alter either of the percentage rates specified as the appropriate rates for Brackets 1 and 2 in section 4(6B) above to a rate higher than the percentage rate which at the time the order comes into force is specified as the appropriate rate for Bracket 3 in that subsection ; or
 - (b) to alter any of the percentage rates specified as the appropriate rates for Brackets 1 to 3 in section 4(6E) above to a rate higher than the percentage rate which at the time the order comes into force is specified as the appropriate rate for Bracket 4.
- (4) Without prejudice to section 120 or 122 of this Act, the Secretary of State may make such order—
 - (a) amending section 7(1) of this Act by altering the figure specified in that subsection as the weekly rate of Class 2 contributions ;
 - (b) amending section 8(1) of this Act by altering the figure specified in that subsection as the amount of a Class 3 contribution,as he thinks fit in consequence of the coming into force of an order made or proposed to be made under subsection (1) above.
- (5) An order under this section may make such amendments of any enactment as appear to the Secretary of State to be necessary or expedient in consequence of any alteration made by it such as mentioned in subsection (1), (2) or (4) above.
- (6) No order shall be made under this section unless a draft of the order has been laid before, and approved by a resolution of, each House of Parliament.
- (7) An order under this section shall be made so as to come into force—
 - (a) on a date in the tax year in which it received Parliamentary approval;
or

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(b) on a date in the next tax year.

(8) Such an order shall have effect for the remainder of the tax year in which it comes into force and for any subsequent tax year (subject to the effect of any subsequent order under this section); and for this purpose the order is to be taken as receiving Parliamentary approval on the date on which the draft of it is approved by the second House to approve it.”

8 Dock workers

(1) in section 4(7) of the Social Security Act 1975 (power to make regulations providing for reducing secondary Class 1 contributions in respect of persons to whom section 81 (redundancy payments) of the Employment Protection (Consolidation) Act 1978 does not apply) after the word " reducing " there shall be inserted the words " primary or".

(2) In regulation 133 of the Social Security (Contributions) Regulations 1979 (reduction of primary Class 1 contributions of dock workers) for " 0.35 " there shall be substituted " 0.25".

(3) Subsection (2) above shall be deemed to have come into force on 6th April 1984.

9 Abatement of invalidity allowance etc., where beneficiary entitled to additional component in pension or to guaranteed minimum pension

(1) In section 16 of the Social Security Act 1975 (invalidity allowance)—

(a) in subsection (1), the words ", subject to the following provisions of this section " shall be inserted after the word " then " ;

(b) the following subsections shall be inserted after subsection (2A)—

“(2B) Where for any period—

(a) the weekly rate of the invalidity pension to which the beneficiary is entitled includes an additional component such as is mentioned in section 6(1)(b) of the Pensions Act; or

(b) the beneficiary is entitled to one or more guaranteed minimum pensions,

for that period the relevant amount shall be deducted from the appropriate weekly rate of invalidity allowance and he shall be entitled to invalidity allowance only if there is a balance after the deduction and, if there is such a balance, at a weekly rate equal to it.

(2C) In this section " the relevant amount " means—

(a) in a case where paragraph (a) of subsection (2B) above applies but paragraph (b) does not apply, an amount equal to the additional component;

(b) in a case where paragraph (b) applies but paragraph (a) does not apply, an amount equal to the weekly rate or aggregate weekly rates of the guaranteed minimum pension or pensions; and

(c) in a case where both paragraphs apply, an amount equal to the aggregate of the amounts referred to in paragraphs (a) and (b) above,

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reduced by the amount of any reduction in the weekly rate of the invalidity pension made by virtue of section 29 of the Pensions Act.

(2D) In this section—

- (a) references to an additional component are references to that component after any increase under section 9(3) of the Pensions Act but without any increase under Schedule 1, paragraphs 1 and 2, to that Act; and
- (b) references to the weekly rate of a guaranteed minimum pension are references to that rate without any increase under section 35(6) of that Act.”; and
- (c) at the end of subsection (3), there shall be added the words " or, where subsection (2B) above applies, of the weekly rate payable under that subsection".

(2) In section 28 of that Act (Category A retirement pension)—

- (a) the words " Subject to the following provisions of this section," shall be inserted at the beginning of subsection (7);
- (b) in that subsection, for the words from " equal" to the end there shall be substituted the words " equal to the appropriate weekly rate of the invalidity allowance on that day."; and
- (c) the following subsections shall be inserted after that subsection—

“(7A) Where for any period—

- (a) the weekly rate of a Category A retirement pension includes an additional component such as is mentioned in section 6(1)(b) of the Pensions Act; or
- (b) the pensioner is entitled to one or more guaranteed minimum pensions,

for that period the relevant amount shall be deducted from the amount that would otherwise be the increase under subsection (7) above and the pensioner shall be entitled to an increase only if there is a balance after that deduction and, if there is such a balance, of an amount equal to it.

(7B) In this section "the relevant amount" means—

- (a) in a case where paragraph (a) of subsection (7A) above applies but paragraph (b) does not apply, an amount equal to the additional component;
- (b) in a case where paragraph (b) applies but paragraph (a) does not apply, an amount equal to the weekly rate or aggregate weekly rates of the guaranteed minimum pension or pensions; and
- (c) in a case where both paragraphs apply, an amount equal to the aggregate of the amounts referred to in paragraphs (a) and (b) above,

reduced by the amount of any reduction in the weekly rate of the Category A retirement pension made by virtue of section 29 of the Pensions Act.

(7C) In this section—

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- (a) references to an additional component are references to that component after any increase under section 9(3) of the Pensions Act but without any increase under Schedule 1, paragraphs 1 and 2, to that Act; and
 - (b) references to the weekly rate of a guaranteed minimum pension are references to that rate without any increase under section 35(6) of that Act.”.
- (3) In section 29 of that Act (Category B retirement pension), at the end of subsection (8) there shall be added the words “, subject to reduction or extinguishment of the increase by the application of section 28(7A) above.”.
- (4) In section 59 of that Act (increase of unemployability supplement)—
- (a) the words “ Subject to the following provisions of this section,” shall be inserted at the beginning of subsection (1); and
 - (b) the following subsections shall be inserted after that subsection—
- “(1A) Where for any period—
- (a) the beneficiary is entitled to a Category A or Category B retirement pension or an invalidity pension and the weekly rate of the pension includes an additional component such as is mentioned in section 6(1)(b) of the Pensions Act; or
 - (b) the beneficiary is entitled to one or more guaranteed minimum pensions,
- for that period the relevant amount shall be deducted from the amount that would otherwise be the increase under this section and the beneficiary shall be entitled to an increase only if there is a balance after that deduction and, if there is such a balance, only of an amount equal to it.
- (1B) In this section “the relevant amount” means—
- (a) in a case where paragraph (a) of subsection (1A) above applies but paragraph (b) does not apply, an amount equal to the additional component reduced by the amount of any reduction in the weekly rate of the pension made by virtue of section 29 of the Pensions Act;
 - (b) in a case where paragraph (b) applies but paragraph (a) does not apply, an amount equal to the weekly rate or aggregate weekly rates of the guaranteed minimum pension or pensions; and
 - (c) in a case where both paragraphs apply, an amount equal to the aggregate of the amount first referred to in paragraph (a) above and the amount referred to in paragraph (b) above.
- (1C) In this section—
- (a) references to an additional component are references to that component after any increase under section 9(3) of the Pensions Act but without any increase under Schedule 1, paragraphs 1 and 2, to that Act; and
 - (b) references to the weekly rate of a guaranteed minimum pension are references to that rate without any increase under section 35(6) of that Act.”.

(5) In Schedule 1 to the Social Security Pensions Act 1975 (deferred retirement), in paragraph 2, the following sub-paragraph shall be inserted after sub-paragraph (4)—

“(4A) In sub-paragraph (4) above the reference to any increase under subsection (7) of section 28 of the principal Act shall be taken as a reference to any increase that would take place under that subsection if subsection (7A) were disregarded.”.

(6) Where a person—

- (a) is entitled immediately before the commencement of a provision contained in this section ("the amending provision") to a benefit specified in subsection (8) below (" the relevant benefit"); and
- (b) continues to be entitled to the relevant benefit after the commencement of the amending provision,

until the relevant date the amending provision shall not operate in relation to him, so long as he continues to be entitled to the relevant benefit, in such a way as to reduce the total weekly rate of any benefits specified in subsection (8) below to which he is for the time being entitled to a rate lower than the total weekly rate of such benefits immediately before the commencement of the amending provision.

(7) Where—

- (a) the conditions mentioned in subsection (6) (a) and (b) above are satisfied in relation to a person ; and
- (b) he ceases to be entitled to the relevant benefit after the commencement of the amending provision ; and
- (c) he subsequently becomes entitled to it again ; and
- (d) the interval between the date of his ceasing to be entitled to it and the date of his becoming entitled to it again is eight weeks or less ; and
- (e) the date of his becoming entitled to it again is earlier than the date in 1985 on which an order under sections 124 and 126A of the Social Security Act 1975 comes into force,

until the relevant date the amending provision shall not operate in relation to him, during any periods for which he is entitled to the relevant benefit, in such a way as to reduce the total weekly rate of benefits specified in subsection (8) below to which he is for the time being entitled to a rate lower than the total weekly rate of such benefits immediately before the commencement of the amending provision.

(8) The benefits mentioned in subsections (6) and (7) above are—

- (a) invalidity benefit;
- (b) Category A and Category B retirement pension; and
- (c) unemployability supplement,

including any increase in respect of a dependant.

(9) In this section " the relevant date " means, in relation to any person, the first date on which there comes into force an order under sections 124 and 126A of the Social Security Act 1975 whose effect, taken with the effect of the amending provision, is more beneficial to him than the effect of subsections (6) and (7) above.

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

10 Voluntary redundancy-entitlement to unemployment benefit

In section 20 of the Social Security Act 1975 (disqualifications for receipt of benefit), the following subsection shall be inserted after subsection (3)—

“(3A) For the purposes of this section, a person who has been dismissed by his employer by reason of redundancy within the meaning of section 81(2) of the Employment Protection (Consolidation) Act 1978 after volunteering or agreeing so to be dismissed shall not be deemed to have left his employment voluntarily.”.

11 Entitlement of married women to Category A retirement pensions

(1) Paragraph 11 of Schedule 1 to the Social Security Act 1979 (by virtue of which the additional conditions for the entitlement of a married woman to a Category A retirement pension imposed by section 28(2) of the Social Security Act 1975 continue to apply in relation to any woman who attained pensionable age before 6th April 1979, notwithstanding the repeal of that subsection) is hereby repealed.

(2) Subsection (1) above shall be deemed to have come into force on 22nd December 1984.

12 Abolition of lower rate for Category D retirement pension

(1) In section 39 of the Social Security Act 1975 (retirement benefits for the aged)—

- (a) the words " or Category D " shall be omitted from subsection (2); and
- (b) the following subsection shall be inserted after that subsection—

“(2A) The appropriate weekly rate of a Category D retirement pension shall be as provided in relation thereto in Schedule 4. Part III, paragraph 5A.”.

(2) The following paragraph shall be inserted after paragraph 5 of Part III of Schedule 4 to that Act—

“5A.	Category D retirement pension (section 39).	The higher rate for Category C retirement pensions under paragraph 5 above.”.
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13 Pension increases in respect of adult dependants-equal treatment for males and females etc.

(1) The following subsection shall be inserted after subsection (2) of section 45 of the Social Security Act 1975 (increase of Category A or C retirement pension or invalidity pension in respect of wife)—

“(2A) Regulations may provide that, for any period during which the pensioner is residing with his wife and his wife is engaged in any one or more employments from which she has earnings—

- (a) the increase of benefit under this section shall be subject to a reduction in respect of the wife's earnings ; or
- (b) there shall be no increase of benefit under this section.”.

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

- (2) In section 45A of that Act (pension increase (husband))—
- (a) in subsection (1)(b), for the words " conditions specified in " there shall be substituted the words " requirements of either paragraph (a) or (b) of"; and
 - (b) the following subsections shall be substituted for sub section (2)—
 - “(2) The requirements referred to in subsection (1)(b) above are—
 - (a) that the pensioner is residing with her husband ;
 - (b) that the pensioner is contributing to the maintenance of her husband at a weekly rate not less than the specified amount, and her husband is not engaged in any one or more employments from which his weekly earnings exceed that amount.
 - (3) Regulations may provide that, for any period during which the pensioner is residing with her husband and her husband is engaged in any one or more employments from which he has earnings—
 - (a) the increase of benefit under this section shall be subject to a reduction in respect of the husband's earnings; or
 - (b) there shall be no increase of benefit under this section.”.
- (3) The following subsection shall be substituted for subsection (4) of section 46 of that Act (increase of Category A or C retirement pension or invalidity pension in respect of female with care of children)—
- “(4) Regulations may, in a case within subsection (2) above in which the person there referred to is residing with the pensioner and fulfils such further conditions as may be prescribed, authorise an increase of benefit under this section, but subject, taking account of the earnings of the person residing with the pensioner, other than such of that person's earnings from employment by the pensioner as may be prescribed, to provisions comparable to those that may be, made by virtue of section 45(2A) above.”.
- (4) In section 47 of that Act (invalidity pension (dependent relative))—
- (a) in subsection (1), for the words " his weekly earnings exceed the amount so specified " there shall be substituted the words " he has earnings"; and
 - (b) the following subsection shall be inserted after that subsection—
 - “(1A) Regulations may provide that—
 - (a) the increase of benefit under this section shall be subject to a reduction in respect of the husband's earnings ; or
 - (b) there shall be no increase of benefit under this section.”.
- (5) The following subsections shall be substituted for subsections (3) to (6) of section 66 of that Act (increase of disablement pension in respect of adult dependant)—
- “(3) Regulations may provide that, for any period during which the beneficiary is contributing to the maintenance of his or her spouse at the requisite rate and the weekly earnings of the spouse from any one or more employments exceed such amount as may be prescribed, there shall be no increase of benefit under this section.

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

- (4) Regulations may provide that, for any period during which the beneficiary is residing with his or her spouse and the spouse is engaged in any one or more employments from which he or she has earnings—
 - (a) the increase of benefit under this section shall be subject to a reduction in respect of the spouse's earnings; or
 - (b) there shall be no increase of benefit under this section.
- (5) Regulations may, in a case within subsection (1)(d) above in which the person there referred to is residing with the beneficiary and fulfils such further conditions as may be prescribed, authorise an increase of benefit under this section, but subject, taking account of the earnings of the person residing with the beneficiary, other than such of that person's earnings from employment by the beneficiary as may be prescribed, to provisions comparable to those that may be made by virtue of subsection (4) above.
- (6) Regulations under this section may, in connection with any reduction or extinguishment of an increase in benefit in respect of earnings, prescribe the method of calculating or estimating the earnings.”.
- (6) In section 84 of that Act (regulations for purposes of sections 45, 66 and other provisions of that Act) in subsection (4)(a), the words " his or her spouse " shall be substituted for the words " his wife".
- (7) The amendment made by subsection (6) above shall be deemed to have come into force on 13th July 1983.
- (8) The following subsection shall be substituted for section 84(5) of that Act—
 - “(5) The provisions of this Act mentioned in subsection (4) above are sections 31, 42 to 45A, 47, 65 and 66.”.

14 Special hardship allowance

In section 60 of the Social Security Act 1975 (increase of disablement benefit for special hardship)—

- (a) the following subsection shall be inserted after subsection (1)—
 - “(1A) The Secretary of State may by regulations provide that in prescribed circumstances employed earner's employment in which a claimant was engaged when the relevant accident took place but which was not his regular occupation is to be treated as if it had been his regular occupation.”;
- (b) in subsection (2)(a), for the words " of his " there shall be substituted the words " , except to the extent that it falls to be treated as including such an occupation by virtue of regulations under subsection (1A) above,";
- (c) in subsection (6)—
 - (i) after the word " above", in the first place where it occurs, there shall be inserted the words " and to subsection (6A) below,"; and
 - (ii) for the words " his regular occupation within the meaning of subsection (1) above " there shall be substituted the words " the relevant occupation"; and
- (d) the following subsections shall be inserted after that subsection—

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

“(6A) A person who is entitled to an increase of pension under this section by virtue of regulations under subsection (1A) above shall not be paid such an increase for any period during which he would not normally be engaged in full-time employed earner's employment.

(6B) In subsection (6) above " the relevant occupation " means—

- (a) in relation to a person who is entitled, to an increase of pension under this section by virtue of regulations under subsection (1 A) above, the occupation in which he was engaged when the relevant accident took place; and
- (b) in relation to any other person who is entitled to an increase of pension under this section, his regular occupation within the meaning of subsection (1) above.”.

15 Invalidity pension

On a review under section 125 of the Social Security Act 1975 (duty to increase rate of benefits) made in June 1985 subsection (3) of that section shall have effect as if at the end of it there were added the words " and also adding—

- (a) to the rate of invalidity pension payable under any provision of this Act or the Pensions Act;
- (b) to any increase in the rate of invalidity pension which is payable in respect of an adult dependant;
- (c) to the amount of unemployability supplement; and
- (d) to the rate of a disablement pension where the beneficiary is entitled to an increase under section 66(1) above,

an additional sum equal to the difference between—

- (i) the sum that would have resulted from the review; and
- (ii) the sum that would have resulted but for section 1 of the Social Security (No. 2) Act 1980 ”.

16 Up-rating benefits

(1) The words " in the month of June " shall be omitted from subsection (1) of sections 125 and 126A of the Social Security Act 1975 (annual reviews of benefits for purposes of up-rating).

(2) The following subsection shall be substituted for subsection (4A) of section 125—

“(4A) A review under this section or section 126A below shall cover a period of not more than twelve months beginning immediately after the end of the period covered by the last review under the relevant section.”.

17 Entitlement to benefit dependent on claim

The following section shall be inserted immediately before section 166 of the Social Security Act 1975—

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

“165A General provision as to necessity of claim for entitlement to benefit.

- (1) Except in such cases as may be prescribed, no person shall be entitled to any benefit unless, in addition to any other conditions relating to that benefit being satisfied—
 - (a) he makes a claim for it—
 - (i) in the prescribed manner; and
 - (ii) subject to subsection (2) below, within the prescribed time; or
 - (b) by virtue of a provision of Chapter VI of Part II of this Act or of regulations made under such a provision he is treated as making a claim for it.
- (2) Regulations shall provide for extending, subject to any prescribed conditions, the time within which a claim may be made in cases where it is not made within the prescribed time but good cause is shown for the delay.
- (3) Notwithstanding any regulations made under this section, no person shall be entitled—
 - (a) to a maternity grant in respect of a confinement occurring more than 12 months before the date on which the claim is made;
 - (b) to a death grant in respect of a death occurring more than 12 months before the date on which the claim is made ;
 - (c) to any other benefit (except disablement benefit or industrial death benefit) in respect of any period more than 12 months before the date on which the claim is made.”.