



# Social Security Contributions and Benefits Act 1992

## 1992 CHAPTER 4

### PART I

#### CONTRIBUTIONS

##### *Class 3 contributions*

#### 13 Class 3 contributions.

- (1) [<sup>F1</sup>The Treasury shall by regulations] provide for earners and others, if over the age of 16, to be entitled if they so wish, but subject to any prescribed conditions, to pay Class 3 contributions; and, subject to the following provisions of this section, the amount of a Class 3 contribution shall be [<sup>F2</sup>£14.10].
- (2) Payment of Class 3 contributions shall be allowed only with a view to enabling the contributor to satisfy <sup>F3</sup>... conditions of entitlement to benefit by acquiring the requisite earnings factor for the purposes described in section 22 below.
- (3) [<sup>F4</sup> The Secretary of State may by regulations] provide for Class 3 contributions, although paid in one tax year, to be appropriated in prescribed circumstances to the earnings factor of another tax year.
- (4) The amount of a Class 3 contribution in respect of a tax year earlier than the tax year in which it is paid shall be the same as if it had been paid in the earlier year and in respect of that year, unless it falls to be calculated in accordance with subsection (6) below or regulations under subsection (7) below.
- (5) In this section—
  - “the payment year” means the tax year in which a contribution is paid; and
  - “the contribution year” means the earlier year mentioned in subsection (4) above.

*Status: Point in time view as at 11/04/2016.*

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- (6) Subject to subsection (7) below, in any case where—
- (a) a Class 3 contribution is paid after the end of the next tax year but one following the contribution year; and
  - (b) the amount of a Class 3 contribution applicable had the contribution been paid in the contribution year differs from the amount of a Class 3 contribution applicable at the time of payment in the payment year,
- the amount of the contribution shall be computed by reference to the highest of those two amounts and of any other amount of a Class 3 contribution in the intervening period.
- (7) The [<sup>F5</sup>Treasury] may by regulations provide that the amount of a contribution which apart from the regulations would fall to be computed in accordance with subsection (6) above shall instead be computed by reference to the amount of a Class 3 contribution for a tax year earlier than the payment year but not earlier than the contribution year.

#### Textual Amendments

- F1** Words in s. 13(1) substituted (1.4.1999) by [Social Security Contributions \(Transfer of Functions, etc.\) Act 1999 \(c. 2\), s. 28\(3\), Sch. 3 para. 14\(2\)](#); S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)
- F2** Sum in s. 13(1) substituted (6.4.2015) by [The Social Security \(Contributions\) \(Re-rating and National Insurance Funds Payments\) Order 2015 \(S.I. 2015/588\), arts. 1\(1\), 2](#)
- F3** Word in s. 13(2) omitted (6.4.2016) by virtue of [Pensions Act 2014 \(c. 19\), s. 56\(4\), Sch. 12 para. 4](#)
- F4** Words in s. 13(3) substituted (1.4.1999) by [Social Security Contributions \(Transfer of Functions, etc.\) Act 1999 \(c. 2\), s. 28\(3\), Sch. 3 para. 14\(3\)](#); S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)
- F5** Word in s. 13(7) substituted (1.4.1999) by [Social Security Contributions \(Transfer of Functions, etc.\) Act 1999 \(c. 2\), s. 28\(3\), Sch. 3 para. 14\(4\)](#); S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)

#### Modifications etc. (not altering text)

- C1** S. 13(1): power to amend conferred (1.7.1992) by [Social Security Administration Act 1992 \(c. 5\), ss. 141\(4\), 192\(4\)](#).
- C2** S. 13(1): power to amend conferred (1.7.1992) by [Social Security Administration Act 1992 \(c. 5\), ss. 143\(1\)\(4\), 192\(4\)](#)
- C3** S. 13(1): power to amend conferred (1.7.1992) by [Social Security Administration Act 1992 \(c. 5\), ss. 145\(4\)\(b\), 192\(4\)](#)

#### [<sup>F6</sup>13A] Right to pay additional Class 3 contributions in certain cases

- (1) An eligible person is entitled, if he so wishes, but subject to any conditions prescribed by regulations made by the Treasury and to the following provisions of this section, to pay Class 3 contributions in respect of a missing year.
- (2) A missing year is a tax year not earlier than 1975-76 in respect of which the person would under regulations under section 13 be entitled to pay Class 3 contributions but for a limit on the time within which contributions may be paid in respect of that year.
- (3) A person is not entitled to pay contributions in respect of more than 6 tax years under this section.
- (4) A person is not entitled to pay any contribution under this section after the end of 6 years beginning with the day on which he attains pensionable age.
- (5) A person is an eligible person if the following conditions are satisfied.

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- (6) The first condition is that the person attained or will attain pensionable age in the period—
- (a) beginning with 6th April 2008, and
  - (b) ending with 5th April 2015.
- (7) The second condition is that there are at least 20 tax years each of which is a year to which subsection (8) or (10) applies.
- (8) This subsection applies if—
- (a) the year is one in respect of which the person has paid or been credited with contributions that are of a relevant class for the purposes of paragraph 5 or 5A of Schedule 3 or been credited (in the case of 1987-88 or any subsequent year) with earnings, and
  - (b) in the case of that year, the earnings factor derived as mentioned in subsection (9) is not less than the qualifying earnings factor for that year.
- (9) For the purposes of subsection (8)(b) the earnings factor—
- (a) in the case of 1987-88 or any subsequent year, is that which is derived from—
    - (i) so much of the person's earnings as did not exceed the upper earnings limit and upon which such of the contributions mentioned in subsection (8)(a) as are primary Class 1 contributions were paid or treated as paid or earnings credited, and
    - (ii) any Class 2 or Class 3 contributions for the year, or
  - (b) in the case of any earlier year, is that which is derived from the contributions mentioned in subsection (8)(a).
- (10) This subsection applies (in the case of a person who attained or will attain pensionable age before 6th April 2010) if the year is one in which the person was precluded from regular employment by responsibilities at home within the meaning of regulations under paragraph 5(7) of Schedule 3.
- (11) The third condition applies only if the person attained or will attain pensionable age before 6th April 2010.
- (12) That condition is that—
- (a) the person has, in respect of any one tax year before that in which he attains pensionable age, actually paid contributions that are of a relevant class for the purposes of paragraph 5 of Schedule 3, and
  - (b) in the case of that year, the earnings factor derived as mentioned in subsection (13) is not less than the qualifying earnings factor for that year.
- (13) For the purposes of subsection (12)(b) the earnings factor—
- (a) in the case of 1987-88 or any subsequent year, is that which is derived from—
    - (i) so much of the person's earnings as did not exceed the upper earnings limit and upon which such of the contributions mentioned in subsection (12)(a) as are primary Class 1 contributions were paid or treated as paid, and
    - (ii) any Class 2 or Class 3 contributions for the year, or
  - (b) in the case of any earlier year, is that which is derived from the contributions mentioned in subsection (12)(a).]

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#### Textual Amendments

**F6** S. 13A inserted (6.4.2009) by [Pensions Act 2008 \(c. 30\)](#), **ss. 135(2)**, 149(4)

### 14 Restriction on right to pay Class 3 contributions.

- (1) No person shall be entitled to pay a Class 3 contribution in respect of any tax year if his earnings factor, or the aggregate of his earnings factors, for that year derived—
- (a) in the case of 1987-88 or any subsequent year, from earnings upon which Class 1 contributions have been paid or treated as paid or from Class 2 contributions actually paid; or
  - (b) in the case of any earlier year, from contributions actually paid,
- is equal to or exceeds the qualifying earnings factor for that year; and regulations may provide for precluding the payment of Class 3 contributions in other cases.
- (2) Regulations may provide for the repayment of Class 3 contributions that have been paid in cases where their payment was precluded by, or by regulations made under, subsection (1) above.
- (3) Contributions repayable by virtue of regulations under subsection (2) above shall, for the purpose of determining the contributor's entitlement to any benefit, be treated as not having been paid (but nothing in this subsection shall be taken to imply that any other repayable contributions are to be treated for the purposes of benefit as having been paid).
- [<sup>F7</sup>(4) Where primary Class 1 contributions have been paid or treated as paid on any part of a person's earnings, subsection (1)(a) above shall have effect as if such contributions had been paid or treated as paid on so much of those earnings as did not exceed the upper earnings limit.]
- [<sup>F8</sup>(5) Regulations under subsection (1) or (2) above shall be made by the Treasury.]

#### Textual Amendments

**F7** S. 14(4) inserted (6.4.1999) by [Social Security Act 1998 \(c. 14\)](#), s. 87(2), **Sch. 7 para. 59**; S.I. 1999/418, art. 2(2)(3)(a)

**F8** S. 14(5) inserted (1.4.1999) by [Social Security Contributions \(Transfer of Functions, etc.\) Act 1999 \(c. 2\)](#), s. 28(3), **Sch. 3 para. 15**; S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)

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