

STATUTORY INSTRUMENTS

1982 No. 1790

SOCIAL SECURITY
The Social Security (Contributions, Re-rating)
Order 1982

Laid before Parliament in draft

Made - - - - 9th December 1982

Coming into Operation 6th April 1983

Whereas the Secretary of State for Social Services, with a view to adjusting the level at which the National Insurance Fund stands and having regard to the sums which may be expected to be paid from that Fund in the tax year 1983-84, thinks it expedient to alter the percentage rates for Class 1 contributions, the rates of Class 2 and Class 3 contributions and the percentage rate for Class 4 contributions under the Social Security Act 1975(a);

And whereas the said Secretary of State thinks it expedient in consequence of altering the rate of Class 2 contributions to alter the amount of earnings below which an earner may be excepted from liability for Class 2 contributions;

And whereas the said Secretary of State thinks it expedient in consequence of those amendments made to Part I of the said Act to alter the percentage rate of that part of the appropriate employment protection allocation which, in the case of primary Class 1 contributions, is determined by the amount of earnings on which those contributions were paid;

And whereas the said Secretary of State, as a result of carrying out in the tax year 1982-83 a review of the general level of earnings pursuant to subsections (2) and (3) of section 120 of the said Act, has determined that an order should be made under that section amending Part I of the said Act by altering the lower and upper limits of profits or gains to be taken into account for Class 4 contributions;

And whereas a draft of the following order was laid before Parliament in accordance with the provisions of sections 120(4), 121(2) and 123(1) of that Act and approved by resolution of each House of Parliament:

Now, therefore, the Secretary of State for Social Services, in conjunction with the Treasury so far as relates to matters with regard to which the Treasury has so directed (b), in exercise of the powers conferred on him by sections 120(5) and (6), 121(2) and 122(1) to (3) of the said Act and of all other powers enabling him in that behalf, hereby makes the following order:—

(a) 1975 c. 14.

(b) See Social Security Act 1975, section 166(5).

Citation, commencement and interpretation

1.—(1) This order may be cited as the Social Security (Contributions, Re-rating) Order 1982 and shall come into operation on 6th April 1983.

(2) In this order “the Act” means the Social Security Act 1975.

Percentage rates of Class 1 contributions

2. In section 4(6) of the Act (rate of Class 1 contributions)—

- (a) in paragraph (a) (primary contribution) for the words “8.75 per cent.” (a) there shall be substituted the words “9.0 per cent.”; and
- (b) in paragraph (b) (secondary contribution) for the words “10.2 per cent.” (b) there shall be substituted the words “10.45 per cent.”.

Rate of, and small earnings exception from, Class 2 contributions

3. In section 7 of the Act (Class 2 contributions)—

- (a) in subsection (1) (weekly rate) for “£3.75” (c) there shall be substituted “£4.40”;
- (b) in subsection (5) (small earnings exception) for “£1,600” (d) there shall be substituted “£1,775”.

Amount of Class 3 contributions

4. In section 8(1) of the Act (amount of Class 3 contributions) for “£3.65”(e) there shall be substituted “£4.30”.

Percentage rate of, and lower and upper limits for, Class 4 contributions

5. In sections 9(2) and 10(1) of the Act (Class 4 contributions recoverable under Tax Acts and regulations)—

- (a) for the words “6 per cent.” (percentage rate)(f) there shall be substituted in each of those sections the words “6.3 per cent.”;
- (b) for “£3,450” (lower limit)(g) wherever that amount appears there shall be substituted in each of those sections “£3,800”;
- (c) for “£11,000” (upper limit)(h) there shall be substituted in each of those sections “£12,000”.

Percentage rates of appropriate employment protection allocation

6. In the definition of “the appropriate employment protection allocation” in section 134(4) of the Act(i) (allocation of contributions) for the words “0.35 per cent.” there shall be substituted the words “0.25 per cent.”.

(a) See Social Security (Contributions) Act 1982 (c. 2), section 1(2).

(b) See S.I. 1979/1736, article 2.

(c) See Social Security (Contributions) Act 1982, section 1(4)(a).

(d) See Social Security (Contributions) Act 1982, section 1(4)(b).

(e) See Social Security (Contributions) Act 1982, section 1(6).

(f) See Social Security (Contributions) Act 1982, section 1(7)(a).

(g) See Social Security (Contributions) Act 1982, section 1(7)(b).

(h) See Social Security (Contributions) Act 1982, section 1(7)(c).

(i) Section 134(4) was amended by the Employment Protection Act 1975 (c. 71), section 40(1) and the Social Security (Contributions) Act 1982, section 3(3).

Signed by authority of the Secretary of State for Social Services.

Hugh Rossi,
Minister of State,
Department of Health and Social Security.

3rd December 1982.

J. A. Cope,
P. L. Brooke,
Two of the Lords Commissioners
of Her Majesty's Treasury.

9th December 1982.

EXPLANATORY NOTE
(*This Note is not part of the Order.*)

This Order increases the rates of Class 1, 2, 3 and 4 contributions payable under the Social Security Act 1975. It increases the amount of earnings below which an earner may be excepted from liability for Class 2 contributions, and the lower and upper limits of profits or gains between which Class 4 contributions are payable. It reduces the percentage rate of the appropriate employment protection allocation in the case of primary Class 1 contributions.

In accordance with sections 121(1) and 123(2) of the Social Security Act 1975 a copy of a report by the Government Actuary (Cmnd. 8742) giving his opinion on the likely effect on the National Insurance Fund of the making of the Order, was laid before Parliament with a draft of it.

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