
EXPLANATORY NOTE

(This note is not part of the Order)

This Order increases the amounts of weekly earnings specified in the earnings brackets in section 4(6B) and (6E) of the Social Security Act 1975, determining the appropriate percentage rate at which Class 1 contributions are payable under that Act (article 2). In both subsections, the increases in respect of Bracket 1 are from £64.99 to £69.99 and in respect of Bracket 2 from £65.00 and £99.99 to £70.00 and £104.99. In subsection (6B), the increase in respect of Bracket 3 is from £100 to £105. In subsection (6E), the increase in respect of Bracket 3 is from £100.00 and £149.99 to £105.00 and £154.99 and, in respect of Bracket 4, from £150.00 to £155.00.

This Order increases the rates of Class 2 and Class 3 contributions payable under that Act from £3.85 to £4.05 and from £3.75 to £3.95 respectively (articles 3(a) and 4). It increases from £2,125 to £2,250 the amount of earnings below which an earner may be excepted from liability for Class 2 contributions (article 3(b)). It also increases, from £4,590 to £4,750 and from £15,340 to £15,860, the lower and upper limits of profits or gains between which Class 4 contributions are payable (article 5).

In accordance with sections 121(1) and 123A(6A) of the Social Security Act 1975, a copy of the report by the Government Actuary (Cm 257), 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.