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STATUTORY INSTRUMENTS

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**2001 No. 1004**

**The Social Security (Contributions) Regulations 2001**

**PART 8**

**CLASS 4 CONTRIBUTIONS**

**Annual maximum of Class 4 contributions due under section 15 of the Act**

**[<sup>F1</sup>100.**—(1) If, in respect of any year, there are payable by or in respect of an earner Class 4 contributions under section 15 of the Act and also—

- (a) primary Class 1 contributions or Class 2 contributions; or
- (b) primary Class 1 contributions and Class 2 contributions,

paragraph (2) applies.

(2) If this paragraph applies, the earner's liability for Class 4 contributions shall not exceed the maximum found in accordance with paragraph (3).

(3) The maximum is found as follows.

*Step One*

Subtract the lower profits limit from the upper profits limit for the year.

*Step Two*

Multiply the result of Step One by [<sup>F2</sup>9 per cent].

*Step Three*

Add to the result of Step Two 53 times the weekly amount of the appropriate Class 2 contribution.

*Step Four*

Subtract from the result of Step Three the aggregate amount of any Class 2 contributions and primary Class 1 contributions paid at the main primary percentage.

The application of the following steps is determined by reference to the following three Cases.

Case 1

If the result of this step is a positive value, and exceeds the aggregate of—

- (a) primary Class 1 contributions payable at the main primary percentage,
- (b) Class 2 contributions; and
- (c) Class 4 contributions payable at the main Class 4 percentage,

in respect of the earner's earnings, profits and gains for the year, the result of this step is the maximum amount of Class 4 contributions payable.

Case 2

*Status: Point in time view as at 26/03/2012. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the The Social Security (Contributions) Regulations 2001, Section 100. (See end of Document for details)*

If the result of this step is a positive value, but does not exceed the aggregate mentioned in Case 1, the result of this step is the maximum amount of Class 4 contributions payable at the main Class 4 percentage.

Case 3

If the result of this step is a negative value, the maximum amount of a Class 4 contribution payable at the main Class 4 percentage is nil and the result of this step is treated as nil.

If Case 1 applies, Steps Five to Nine do not, but if Case 2 or Case 3 applies those Steps do apply.

*Step Five*

Multiply the result of Step Four by [<sup>F3</sup>100/9]

*Step Six*

Subtract the lower profits limit from the lesser of the upper profits limit and the amount of profits for the year.

*Step Seven*

Subtract the result of Step Five from the result of Step Six.

If the result of this step is a negative value, it is treated as nil.

*Step Eight*

Multiply the result of Step Seven by [<sup>F4</sup>2 per cent].

*Step Nine*

Multiply the amount by which the profits and gains for the year exceed the upper profits limit for the year by [<sup>F5</sup>2 per cent].

The maximum amount of Class 4 contributions payable is—

- (a) where Case 1 of Step Four applies, the result of that step, and
- (b) where Case 2 or Case 3 of Step Four applies, the amount produced by adding together the results of Steps Four, Eight and Nine.

This is subject to the qualifications in paragraphs (4) to (6).

In this paragraph—

“lower profits limit” means the lesser of the two monetary sums specified in section 15(3) (a) of the Act; and

“upper profits limit” means the greater of those sums.

(4) For the purpose only of determining the extent of the earner’s liability for contributions under paragraph (3), the amount of a primary Class 1 contribution which would otherwise be payable at the main primary percentage but which is paid at a rate less than [<sup>F6</sup>12 per cent.] because the earner—

- (a) is in contracted-out employment, or
- (b) is a married woman who has made an election to pay contributions at the reduced rate as mentioned in regulation 127,

shall be treated as equal to the amount of the primary Class 1 contribution payable at the main primary percentage, which would be so payable if the employment were non-contracted-out employment or the election had not been made (as the case may be).

(5) Paragraph (2) is subject to the provisions of section 12 of the Act and to regulations 63 to 65.

(6) Notwithstanding paragraphs (1) to (5), an earner shall be liable, in the first instance, for the full amount of the contributions which would have been payable but for this regulation.]

### **Textual Amendments**

- F1** Reg. 100 substituted (with effect in accordance with reg. 1(1) of the amending S.I.) by [The Social Security \(Contributions\) \(Amendment\) Regulations 2003 \(S.I. 2003/193\)](#), regs. 1(1), **14**
- F2** Words in reg. 100(3) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Social Security \(Contributions\) \(Amendment\) Regulations 2012 \(S.I. 2012/573\)](#), regs. 1(1), **2(3)(a)(i)**
- F3** Words in reg. 100(3) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Social Security \(Contributions\) \(Amendment\) Regulations 2012 \(S.I. 2012/573\)](#), regs. 1(1), **2(3)(a)(ii)**
- F4** Words in reg. 100(3) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Social Security \(Contributions\) \(Amendment\) Regulations 2012 \(S.I. 2012/573\)](#), regs. 1(1), **2(3)(a)(iii)**
- F5** Words in reg. 100(3) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Social Security \(Contributions\) \(Amendment\) Regulations 2012 \(S.I. 2012/573\)](#), regs. 1(1), **2(3)(a)(vi)**
- F6** Words in reg. 100(4) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Social Security \(Contributions\) \(Amendment\) Regulations 2012 \(S.I. 2012/573\)](#), regs. 1(1), **2(3)(b)**

**Status:**

Point in time view as at 26/03/2012. This version of this provision has been superseded.

**Changes to legislation:**

There are currently no known outstanding effects for the The Social Security (Contributions) Regulations 2001, Section 100.