

1985 No. 263

SOCIAL SECURITY

The Social Security (Earnings Factor) (Amendment) Regulations
(Northern Ireland) 1985

Made 27th September 1985

Coming into operation 6th October 1985

The Department of Health and Social Services for Northern Ireland, in exercise of the powers conferred on it by section 13(5) and (5A) of the Social Security (Northern Ireland) Act 1975(a), Articles 8(5A) and 37(3) of the Social Security Pensions (Northern Ireland) Order 1975(b) and Article 1(8) of the Social Security (Northern Ireland) Order 1985(c) and of all other powers enabling it in that behalf, hereby makes the following regulations:

Citation, commencement and interpretation

1.—(1) These regulations may be cited as the Social Security (Earnings Factor) (Amendment) Regulations (Northern Ireland) 1985 and shall come into operation on 6th October 1985.

(2) In these regulations, “the principal regulations” means the Social Security (Earnings Factor) Regulations (Northern Ireland) 1979(d).

(3) The Interpretation Act 1978(e) shall apply to these regulations as it applies to an Act of the United Kingdom Parliament.

Amendment of Part I of Schedule 1 to the principal regulations

2.—(1) Part I of Schedule 1 to the principal regulations (Class 1 contributions) shall be amended in accordance with the following provisions of this regulation.

(2) For paragraph 2 there shall be substituted the following paragraph—

“2. The earnings factor derived from a person’s Class 1 contributions actually paid in respect of the year commencing 6th April 1985, and of any year thereafter, shall be

$$100 \left[F \left(\frac{P - Q}{R} \right) + G \left(\frac{Q}{R1} \right) \right]$$

where—

(a) P is the amount of his Class 1 contributions actually paid in respect of that year;

(b) Q is the amount of his contracted-out Class 1 contributions so paid;

(a) 1975 c. 15; section 13(5) was amended by Article 16 of, and paragraph 4 of Schedule 3 to, the Social Security (Northern Ireland) Order 1979 (S.I. 1979/396 (N.I. 5)) and by Article 25(1) of, and paragraph 1(a) of Schedule 5 to, the Social Security (Northern Ireland) Order 1985 (S.I. 1985/1209 (N.I. 16)). Section 13(5A) was inserted by Article 25(1) of, and paragraph 1(b) of Schedule 5 to, the Social Security (Northern Ireland) Order 1985

(b) S.I. 1975/1503 (N.I. 15); Article 8(5A) was inserted by Article 25(1) of, and paragraph 8(b) of Schedule 5 to, the Social Security (Northern Ireland) Order 1985

(c) S.I. 1985/1209 (N.I. 16)

(d) S.R. 1979 No. 193

(e) 1978 c. 30

(c) R—

- (i) in relation to any Class 1 contributions paid at a rate specified in section 4(6) to (6B) of the Act(a), is the highest of the rates in question in force for that year; and
- (ii) in relation to any Class 1 contributions paid at a rate so specified as modified by regulations under sections 123 to 126(b) of the Act, is the highest of the rates in question as so modified in force for that year;

(d) R1 is the highest of the rates of contracted-out contributions in force for that year ascertained by reference to Article 29(2)(a)(c) of the Pensions Order;

(e) F is—

- (i) in relation to any Class 1 contributions paid at a rate specified in section 4(6) to (6B) of the Act—

(aa) 1.8, where $P - Q$ is less than £143,(bb) $\frac{130}{P - Q} + 0.891$, where $P - Q$ is not less than £143 but not greater than £1,192.66,(cc) 1, where $P - Q$ is greater than £1,192.66;

- (ii) in relation to any Class 1 contributions paid at a rate so specified as modified by regulations under section 123 of the Act—

(aa) 1.976, where P is less than £117.25,(bb) $\frac{128.5}{P} + 0.88$, where P is not less than £117.25 but not greater than £1,070.83,(cc) 1, where P is greater than £1,070.83;

- (iii) in relation to any Class 1 contributions paid at a rate so specified as modified by regulations under section 124 of the Act—

(aa) 1.842, where P is less than £135.85,(bb) $\frac{129.6}{P} + 0.888$, where P is not less than £135.85 but not greater than £1,157.14,(cc) 1, where P is greater than £1,157.14;

- (iv) in relation to such part of any Class 1 contributions as is paid at the normal percentage in accordance with Article 29(1)(a) of the Pensions Order in a year in which no payment is made of contributions to which head (i) above applies—

(aa) 1.8, where $P - Q$ is less than £92.30,(bb) $\frac{166.14}{P - Q}$, where $P - Q$ is not less than £92.30 but not greater than £166.14,

(a) Section 4(6) to (6B) was substituted by Article 9(2) of the Social Security (Northern Ireland) Order 1985

(b) Section 124(3) was omitted by Article 3(1) of the Social Security (Miscellaneous Provisions) (Northern Ireland) Order 1977 (S.I. 1977/610 (N.I. 11)) and section 125(2) and (3) were repealed by Article 74(2) of, and Schedule 6 to, the Social Security Pensions (Northern Ireland) Order 1975

(c) Article 29(2)(a) was amended by S.R. 1982 No. 109

- (cc) 1, where $P - Q$ is greater than £166·14;
- (v) in relation to such part of any Class 1 contributions as is paid at the normal percentage in accordance with Article 29(1)(a) of the Pensions Order in a year in which there are also paid contributions to which head (i) above applies—
- (aa) 1·8, where $P - Q$ is less than £143,
- (bb) $\frac{130}{P - Q} + 0·891$, where $P - Q$ is not less than £143 but not greater than £1,192·66,
- (cc) 1, where $P - Q$ is greater than £1,192·66;
- (vi) in relation to such part of any Class 1 contributions as is paid at the normal percentage in accordance with Article 29(1)(a) of the Pensions Order as modified by regulations under section 123 of the Act—
- (aa) 1·976, where $P - Q$ is less than £75·69,
- (bb) $\frac{149·53}{P - Q}$, where $P - Q$ is not less than £75·69 but not greater than £149·53,
- (cc) 1, where $P - Q$ is greater than £149·53;
- (vii) in relation to such part of any Class 1 contributions as is paid at the normal percentage in accordance with Article 29(1)(a) of the Pensions Order as modified by regulations under section 124 of the Act—
- (aa) 1·842, where $P - Q$ is less than £87·69,
- (bb) $\frac{161·53}{P - Q}$, where $P - Q$ is not less than £87·69 but not greater than £161·53,
- (cc) 1, where $P - Q$ is greater than £161·53; and
- (f) G is—
- (i) in relation to any Class 1 contributions paid at the highest of the rates specified in section 4(6) to (6B) of the Act or to any contracted-out contributions ascertained by reference to Article 29(2)(a) of the Pensions Order—
- (aa) 2·4, where Q is less than £46·98,
- (bb) $\frac{70}{Q} + 0·91$, where Q lies between £46·98 and £777·78,
- (cc) 1, where Q is greater than £777·78;
- (ii) in relation to any contracted-out contributions ascertained by reference to Article 29(2)(a) of the Pensions Order, as modified by regulations under section 123 of the Act—
- (aa) 3·05, where Q is less than £32·05,
- (bb) $\frac{69}{Q} + 0·897$, where Q lies between £32·05 and £669·90,

- (cc) 1, where Q is greater than £669.90;
- (iii) in relation to any contracted-out contributions ascertained by reference to Article 29(2)(a) of the Pensions Order, as modified by regulations under section 124 of the Act—
- (aa) 2.54, where Q is less than £43.10,
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- (bb) $\frac{\quad}{Q} + 0.906$, where Q lies between £43.10 and £744.68,
- (cc) 1, where Q is greater than £744.68;

and the amount resulting shall be rounded to the nearest whole penny.”.

(3) At the end of paragraph 3 there shall be added “so however that, where the values to be accorded to F and G are identical for two or more separate sums, those sums shall be aggregated and the provisions of paragraph 2 above shall apply to the resulting aggregate sum.”.

(4) For head (ii) of paragraph 4(b) there shall be substituted the following head—

“(ii) R is the highest of the rates of contributions specified in section 4(6) to (6B) of the Act in force for that year.”.

(5) For paragraph 7(1) there shall be substituted the following paragraph—

“7.—(1) The earnings factor derived from a person’s contracted-out contributions for the year commencing 6th April 1985, and for any year thereafter, in respect of any contracted-out employment shall be

$$\frac{100 Q}{R1} \text{ where—}$$

- (a) Q is the amount of his contracted-out contributions paid, or treated for the purposes of this paragraph as having been paid or as not repaid, in respect of that year and in respect of that employment; and
- (b) R1 is the highest of the rates of contracted-out contributions in force for that year ascertained by reference to Article 29(2)(a) of the Pensions Order;

and the amount resulting shall be rounded to the nearest whole penny.”.

Transitional

3.—(1) The earnings factor derived from a person’s Class 1 contributions actually paid in respect of any year before 6th April 1985 shall be ascertained as if regulation 2 of these regulations had not been made.

(2) Where but for regulation 2 of these regulations the earnings factor derived from a person’s contributions in the year commencing 6th April 1985 would be less than the lower earnings limit multiplied by 25, the earnings factor for that year shall, subject to paragraph (3) below, be ascertained as if the said regulation 2 had not been made, where—

- (a) he has had disallowed a claim for sickness benefit or unemployment benefit for a period falling wholly or partly before 6th October 1985 or for a day falling before that date, and
- (b) the disallowance decision is, in accordance with regulation 11(3) or, as the case may be, 12(6) of the Social Security (Claims and Payments) Regulations (Northern Ireland) 1977(a), to be treated as a disallowance of any further claim for that benefit in respect of any period falling wholly or partly after 5th October 1985 or any day falling thereafter.

(a) S.R. 1977 No. 351; the relevant amending regulations are S.R. 1980 No. 452 and S.R. 1981 No. 281

(3) Paragraph (2) above shall not apply to any person in respect of whom Class 1 contributions are paid for any week commencing after 5th October 1985 in the year ending 5th April 1986.

Sealed with the Official Seal of the Department of Health and Social Services for Northern Ireland on 27th September 1985.

(L.S.)

A. N. Burns

Assistant Secretary

EXPLANATORY NOTE

(This note is not part of the Regulations.)

These regulations correspond to provision contained in regulations made by the Secretary of State for Social Services in relation to Great Britain and accordingly by virtue of section 10(2) of, and paragraph 21 of Schedule 3 to, the Social Security Act 1980 (c. 30) are not subject to the requirement of section 10(1) of that Act for prior reference to the Social Security Advisory Committee.

Section 13(5A) of the Social Security (Northern Ireland) Act 1975 and Article 8(5A) of the Social Security Pensions (Northern Ireland) Order 1975 are two of the enabling provisions under which these regulations are made. They are brought into operation on 6th October 1985 by the Social Security (1985 Order) (Commencement No. 1) Order (Northern Ireland) 1985 (S.R. 1985 No. 218) (C. 6).

Regulation 1 relates to citation, commencement and interpretation.

Regulation 2, by substituting new formulae in Schedule 1 to the Social Security (Earnings Factor) Regulations (Northern Ireland) 1979, makes provision for those employed earners who pay primary Class 1 contributions at a reduced rate as from 6th October 1985 to have the earnings factor derived from those contributions boosted.

Regulation 3 provides for earnings factors in respect of tax years ending before 6th April 1985 to be ascertained without reference to regulation 2; it further provides that the earnings factor for the year commencing 6th April 1985 of persons subject to a forward disallowance of unemployment or sickness benefit because of a failure to satisfy the first contribution condition shall continue to be ascertained without reference to regulation 2 unless further contributions are paid in that year.