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STATUTORY RULES OF NORTHERN IRELAND

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**1996 No. 520**

**The Social Security Benefit (Computation of Earnings) Regulations (Northern Ireland) 1996**

**Part III**

**Self-Employed Earners**

**Deduction of tax and contributions for self-employed earners**

**14.**—(1) The amount to be deducted in respect of income tax under regulation 13(1)(b)(i), (4)(b)(i) or (10)(a)(i) (calculation of net profit of self-employed earners) shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the lower rate or, as the case may be, the lower rate and the basic rate of tax less only the personal relief to which the claimant is entitled under sections 257(1), 257A(1) and 259 of the Taxes Act(1) as is appropriate to his circumstances; but if the period determined under regulation 11 (calculation of earnings of self-employed earners) is less than a year, the earnings to which the lower rate of tax is to be applied and the amount of the personal relief deductible under this paragraph shall be calculated on a pro rata basis.

(2) The amount to be deducted in respect of contributions under regulation 13(1)(b)(i), (4)(b)(ii) or (10)(a)(ii) shall be the total of—

- (a) the amount of Class 2 contributions payable under section 11(1) or, as the case may be, (3) of the Contributions and Benefits Act(2) at the rate applicable at the date of the determination of the claim or of any subsequent review except where the claimant's chargeable income is less than the amount specified in section 11(4) of that Act for the tax year in which that date falls; but if the assessment period is less than a year, the amount specified for that year shall be reduced pro rata; and
- (b) the amount of Class 4 contributions (if any) which would be payable under section 15 of that Act(3) at the percentage rate applicable at the date of the determination of the claim or of any subsequent review on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year in which that date falls; but if the assessment period is less than a year, those limits shall be reduced pro rata.

(3) In this regulation “chargeable income” means—

- (a) except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under regulation 13(4)(a) or, as the case may be, (5);
- (b) in the case of employment as a child minder, one third of the earnings of that employment.

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(1) Sections 257 to 257F were substituted for section 257 by section 33 of the Finance Act 1988 (c. 39); section 257A(1) was amended by section 77(2) of the Finance Act 1994 (c. 9); section 259 was amended by section 30 of, and paragraph 5 of Schedule 3 to, the Finance Act 1988, paragraph 5 of Schedule 5 to the Finance (No. 2) Act 1992 (c. 48) and section 77(3) of, and paragraph 6 of Schedule 8 to, the Finance Act 1994

(2) Section 11 was amended by Article 3 of S.R. 1996 No. 72

(3) Section 15 was amended by Article 5 of S.R. 1996 No. 72

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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