
STATUTORY RULES OF NORTHERN IRELAND

1996 No. 72

SOCIAL SECURITY

The Social Security (Contributions) (Re-rating and Northern Ireland National Insurance Fund Payments) Order (Northern Ireland) 1996

Made - - - - *7th March 1996*
Coming into operation *6th April 1996*

Whereas the Secretary of State for Social Security has made an Order⁽¹⁾ under sections 141(4) and (5), 142(2), 143(1) and (2), 145(2) and 189(1) and (3) of the Social Security Administration Act 1992⁽²⁾ and section 2(2) and (8) of the Social Security Act 1993⁽³⁾:

Now, therefore, the Department of Health and Social Services for Northern Ireland, in exercise of the powers conferred on it by section 129 of the Social Security Administration (Northern Ireland) Act 1992⁽⁴⁾ and Article 4(3) of the Social Security (Northern Ireland) Order 1993⁽⁵⁾ and of all other powers enabling it in that behalf, and with the consent of the Department of Finance and Personnel in so far as relates to Article 6 of this Order, hereby makes the following Order:

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Social Security (Contributions) (Re-rating and Northern Ireland National Insurance Fund Payments) Order (Northern Ireland) 1996 and shall come into operation on 6th April 1996.

(2) In this Order “the Act” means the Social Security Contributions and Benefits (Northern Ireland) Act 1992⁽⁶⁾.

(3) The Interpretation Act (Northern Ireland) 1954⁽⁷⁾ shall apply to this Order as it applies to a Measure of the Assembly.

Weekly earnings figures for secondary earnings brackets

2. In section 9(3) of the Act⁽⁸⁾ (secondary earnings brackets)—

(1) S.I. 1996/597
(2) 1992 c. 5
(3) 1993 c. 3
(4) 1992 c. 8
(5) S.I. 1993/592 (N.I. 2)
(6) 1992 c. 7; relevant amending provisions are S.R. 1994 No. 79 and S.R. 1995 No. 79
(7) 1954 c. 33 (N.I.)
(8) Section 9(3) was further amended by Article 2 of S.R. 1995 No. 79

- (a) for the figure £104·99 specified in respect of Bracket 1 there shall be substituted the figure £109·99;
- (b) for the figures £105·00 and £149·99 specified in respect of Bracket 2 there shall be substituted respectively the figures £110·00 and £154·99;
- (c) for the figures £150·00 and £204·99 specified in respect of Bracket 3 there shall be substituted respectively the figures £155·00 and £209·99;
- (d) for the figure £205·00 specified in respect of Bracket 4 there shall be substituted the figure £210·00.

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

- 3. In section 11 of the Act(9) (Class 2 contributions)—
 - (a) in subsection (1) (weekly rate) for “£5·75” there shall be substituted “£6·05”;
 - (b) in subsection (4) (small earnings exception) for “£3,260” there shall be substituted “£3,430”.

Amount of Class 3 contributions

- 4. In section 13(1) of the Act(10) (amount of Class 3 contributions) for “£5·65” there shall be substituted “£5·95”.

Amount of, and lower and upper limits for, Class 4 contributions

- 5. In sections 15(3) and 18(1) of the Act(11) (Class 4 contributions recoverable under the Income Tax Acts and under regulations)—
 - (a) for “7·3 per cent.” (amount of contribution) there shall be substituted in each of those sections “6 per cent.”;
 - (b) for “£6,640” (lower limit) wherever it appears there shall be substituted in each of those sections “£6,860”;
 - (c) for “£22,880” (upper limit) there shall be substituted in each of those sections “£23,660”.

Prescribed percentage of estimated benefit expenditure

- 6. Article 4(3) of the Social Security (Northern Ireland) Order 1993 (payments into National Insurance Fund out of appropriated money) shall have effect with respect to the tax year 1996-97 and the prescribed percentage of estimated benefit expenditure for the financial year ending in that tax year shall be 6 per cent.

(9) Section 11(1) and (4) was further amended by Article 3 of S.R. 1995 No. 79

(10) Section 13(1) was further amended by Article 4 of S.R. 1995 No. 79

(11) The amount of contribution was amended by Article 5 of S.R. 1994 No. 79 and the lower and upper limits were further amended by Article 5 of S.R. 1995 No. 79

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

7th March 1996

W. G. Purdy
Assistant Secretary

The Department of Finance and Personnel hereby consents to Article 6 of the foregoing Order.
Sealed with the Official Seal of the Department of Finance and Personnel on.

7th March 1996

C. P. Moore
Assistant Secretary

EXPLANATORY NOTE

(This note is not part of the Order.)

This Order corresponds to an Order (S.I.1996/597) made by the Secretary of State for Social Security under sections 141(4) and (5), 142(2), 143(1) and (2), 145(2) and 189(1) and (3) of the Social Security Administration Act 1992 and section 2(2) and (8) of the Social Security Act 1993.

The Order increases the amounts of weekly earnings specified in the secondary earnings brackets in section 9(3) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (“the Act”), which determine the appropriate percentage rate at which secondary Class 1 contributions are payable under the Act (Article 2). The increases are in respect of Bracket 1 from £104.99 to £109.99, in respect of Bracket 2 from £105.00 and £149.99 to £110.00 and £154.99 respectively, in respect of Bracket 3 from £150.00 and £204.99 to £155.00 and £209.99 respectively and in respect of Bracket 4 from £205.00 to £210.00.

The Order increases the rate of Class 2 and amount of Class 3 contributions specified in sections 11(1) and 13(1) of the Act from £5.75 to £6.05 and from £5.65 to £5.95 respectively (Articles 3(a) and 4). It also increases, from £3,260 to £3,430, the amount of earnings specified in section 11(4) of the Act below which an earner may be excepted from liability for Class 2 contributions (Article 3(b)).

The Order reduces the amount of Class 4 contributions payable by reducing the percentage rate specified in sections 15(3) and 18(1) of the Act at which those contributions are charged from 7.3 to 6 per cent. It also increases, from £6,640 to £6,860 and from £22,880 to £23,660 respectively, the lower and upper limits of profits or gains specified in those sections between which Class 4 contributions are payable (Article 5).

The Order provides for Article 4(3) of the Social Security (Northern Ireland) Order 1993 to have effect for the tax year 1996-97. It also provides that the amount of appropriated money to be paid into the Northern Ireland National Insurance Fund in that tax year shall not exceed in aggregate 6 per cent. of the estimated benefit expenditure for the financial year ending in that tax year (Article 6).