



National Insurance Act 1974

1974 CHAPTER 14

Benefits and contributions

1 Weekly rates of benefits under National Insurance Acts 1965 and 1966

- (1) In the National Insurance Act 1965 (hereafter in this Act referred to as " the Insurance Act"), in Schedule 3 (which sets out the weekly rates of benefits under that Act) there shall be substituted the provisions set out in Schedule 1 to this Act for those set out in Schedule 1 to the National Insurance and Supplementary Benefit Act 1973 (hereafter in this Act referred to as " the Act of 1973 ").
- (2) In sections 2(4) and 4(1) of the National Insurance Act 1966, in the words inserted by the amendments made by section 6 of the National Insurance Act 1971 (under which certain earnings-related benefits may include an amount equal to 15 per cent, of the amount, up to £12, by which the relevant earnings exceeded £30), for the word " £12 " there shall be substituted, for cases where the tax year there referred to is later than the year 1974-75, the word " £32 " instead of the £24 substituted by section 1(2) of the Act of 1973.

2 Contributions under National Insurance Act 1965

- (1) In the Insurance Act, in Schedule 1 (which sets out the weekly rates of contributions under that Act) there shall be substituted the provisions set out in Schedule 2 to this Act for those set out in Schedule 2 to the Act of 1973 and section 5(1) of the Pensioners' Payments and National Insurance Act 1973 ; and there shall be paid out of money provided by Parliament any increase resulting from this subsection in the sums so payable by way of Exchequer supplement under section 7 of the Insurance Act.
- (2) In section 4(1) of the Insurance Act, in the paragraph (c) inserted by the amendment made by section 1(2) of the National Insurance Act 1969—
 - (a) in sub-paragraphs (i) and (ii) (whereby, as those subparagraphs were originally enacted, the amount of any graduated contribution included $4\frac{3}{4}$ per cent, of any amount, up to £9, by which the relevant payment of remuneration exceeded £9 in the case of an employment other than a non-participating employment and $\frac{1}{2}$ per cent, of that amount in the case of a non-participating

employment), for the words " 4 $\frac{3}{4}$ per cent." and " $\frac{1}{2}$ per cent." there shall be substituted respectively the words " 5.50 per cent. " and " 1.25 per cent." instead of the 5 per cent, and the 0.75 per cent, substituted by section 2(2) of the Act of 1973; and

- (b) in the words following those sub-paragraphs (whereby, as those words were originally enacted, the amount of any graduated contribution included 3 $\frac{3}{4}$ per cent, of any amount, up to £12, by which the relevant payment of remuneration exceeded £18), for the words " 3 $\frac{1}{4}$ per cent." and " £12 " there shall be substituted respectively the words " 5.50 per cent. " and " £44 " instead of the 5 per cent, and £36 substituted by section 2(2) of the Act of 1973.
- (3) In sub-paragraph (iii) of section 10(1)(a) of the Insurance Act (which, as amended by section 2(3) of the Act of 1973, provides that regulations may except persons from liability to pay contributions where they are not in receipt of an annual income exceeding £520), for the word " £520 " there shall be substituted the word " £650 " ; and the like substitution shall be made in any regulations in force by virtue of the said sub-paragraph (iii) at the passing of this Act.
- (4) The contributions to be paid under the Insurance Act in respect of the financial year 1974-75 out of money provided by Parliament shall include, in addition to the Exchequer supplements, the sum of £315 million instead of the amount required in respect of that year by subsection (4) of section 2 of the Act of 1973, and the contributions under this subsection shall be paid in such manner and at such times as the Treasury may determine.

3 Industrial injuries and diseases (benefits and contributions)

- (1) In the National Insurance (Industrial Injuries) Act 1965 (hereafter in this Act referred to as "the Industrial Injuries Act"), in Schedule 3 (which sets out the weekly rate or amount of benefit) there shall be substituted the provisions set out in Schedule 3 to this Act for those set out in Schedule 3 to the Act of 1973.
- (2) In the Old Cases Act the word " £6.05 " (instead of the word " £4.70 " substituted by section 3(3) of the Act of 1973) shall be substituted—
- (a) for the rate specified in section 2(6)(c) (maximum weekly rate of a lesser incapacity allowance supplementing workmen's compensation); and
 - (b) for the rate specified in section 7(2)(b) (industrial diseases benefit schemes: weekly rate of an allowance payable where disablement is not total).
- (3) In Part I of Schedule 2 to the Industrial Injuries Act, as amended by section 3(4) of the Act of 1973, in column 3 (which sets out the weekly rate of employers' contributions under the Industrial Injuries Act)—
- (a) the rate of 9p applicable where the insured person is a man over the age of 18 shall be amended to 11p ;
 - (b) the rate of 7p applicable where the insured person is a woman over that age shall be amended to 9p;
 - (c) the rate of 4p applicable where the insured person is a boy under that age shall be amended to 5p; and
 - (d) the rate of 3p applicable where the insured person is a girl under that age shall be amended to 4p;

and there shall be paid out of money provided by Parliament any increase resulting from these amendments in the contributions so payable under section 2(1)(b) of the Industrial Injuries Act.

4 Relaxation of the earnings rule

- (1) In section 30(7) of the Insurance Act (which, as amended by section 1(1) of the National Insurance (Amendment) Act 1972, provides for the reduction of a retirement pension for any week where the beneficiary is under 5 years over pensionable age and his or her earnings for the preceding week exceeded £9.50) and in section 43A(2) of that Act and section 18 (3 A) of the Industrial Injuries Act (which provide for the reduction of an increase under the said section 43A or 18 of a retirement, invalidity or disablement pension for any week where the beneficiary is residing with his wife and her earnings for the preceding week exceeded £9.50), for the word " £9.50 " there shall be substituted the word " £13 ".
- (2) In paragraphs (a) and (b) of the said sections 43A(2) and 18 (3A) (which provide that the reduction shall be 5p for each 10p of so much of the excess earnings as is less than £2 and 5p for each 5p of any further excess), for the word " £2 " wherever it occurs there shall be substituted the word " £4 ".

Miscellaneous

5 Amendment of s. 39 of the Social Security Act 1973

- (1) Section 39 of the Social Security Act 1973 (which provides for the annual review of benefits for the purpose of up-rating) shall have effect in relation to relevant benefits as if in subsection (3)(a) (by virtue of which the Secretary of State is required in the course of a review to have regard to the extent to which current rates of benefit have retained their value in relation to the general level of prices obtaining in Great Britain since the end of the previous review period or, in the case of the first review, since the beginning of the income tax year in which the section came into force) for the word " prices " there were substituted the word " earnings " ; but it shall be the duty of the Secretary of State to disregard that amendment in connection with a particular review if he considers that it would be to the advantage of beneficiaries to do so.
- (2) In the preceding subsection " relevant benefits " means—
 - (a) the benefits mentioned in Part I of Schedule 4 to the Social Security Act 1973 except unemployment or sickness benefit where the beneficiary is under pensionable age and except maternity allowance and age addition;
 - (b) the increases mentioned in Part III of that Schedule except an increase of unemployment or sickness benefit where the beneficiary is under pensionable age and except an increase of maternity allowance ;
 - (c) the benefits and increases mentioned in Schedule 3 to the Industrial Injuries Act (including the maxima mentioned in paragraph 12 of that Schedule) except injury benefit, an increase of injury benefit in respect of a child or adult dependant, an increase of disablement pension in respect of a child or adult dependant where the beneficiary is not entitled to an unemployability supplement and except an allowance in respect of a deceased's children under section 21(1) of that Act; and
 - (d) the allowances to which section 3(2) of this Act relates ;and in this subsection " pensionable age " has the same meaning as in the Social Security Act 1973 and " beneficiary " means the person entitled to the benefit or increase in question.
- (3) In subsection (3) of the said section 39, after paragraph (b) there shall be inserted the following paragraph—

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“(c) the rate of change in the general level of prices and earnings with a view to considering the desirability of introducing legislation requiring more frequent reviews of benefit than is provided for in this section.”

(4) After subsection (10) of the said section 39 there shall be inserted the following subsection—

“(10A) Following each review of social security benefits under this section, the Secretary of State shall lay before each House of Parliament a report of his conclusions on the matters which he is required to consider by subsection (3) (c) above.”

(5) In subsection (14) of the said section 39, for paragraph (a) (which provides that an order under that section increasing benefits in consequence of a review shall be made so as to come into force not earlier than 16th November or later than 30th November following the date of the approval of the order by Parliament) there shall be substituted the following paragraph—

“(a) shall, if it is made in consequence of a review carried out in the year 1975-76, provide for the order to come into force before the end of the week beginning with the last Monday in July of that year.”

(6) In subsection (2) of the said section 39, for paragraphs (a) and (b) (which relate to benefits under the Insurance Act, Part I of the Social Security Act 1973, the Industrial Injuries Act and the Old Cases Act) there shall be substituted the words " means benefits under Part I of this Act, the Industrial Injuries Act and the Old Cases Act ".

6 Minor supplementary provisions and amendments of certain social security enactments

(1) The Secretary of State may by regulations make provision with respect to—

- (a) the correction of accidental errors in any decision or record of a decision given with respect to a claim or question arising under or in connection with any relevant enactment by a body or person authorised to decide the claim or question ; and
- (b) the setting aside of any such decision in a case where it appears just to set the decision aside on the ground that—
 - (i) a document relating to the proceedings in which the decision was given was not sent to, or was not received at an appropriate time by, a party to the proceedings or the party's representative or was not received at an appropriate time by the body or person who gave the decision, or
 - (ii) a party to the proceedings in which the decision was given or the party's representative was not present at a hearing related to the proceedings;

and in this subsection " relevant enactment" means any enactment contained in the National Insurance Acts 1965 to 1974, the National Insurance (Industrial Injuries) Acts 1965 to 1974, the Industrial Injuries and Diseases (Old Cases) Acts 1967 to 1974, the Family Allowances Acts 1965 to 1969, the Supplementary Benefit Acts 1966 to 1973, the Family Income Supplements Act 1970 or the Social Security Act 1973.

(2) Regulations revoking regulations made or having effect as if made by virtue of section 104(4) (b) of the Insurance Act or section 83(4)(b) of the Industrial Injuries

Act (which relate to the Joint Authorities for Great Britain and Northern Ireland for national insurance and industrial injuries purposes) may contain such provision as the Secretary of State considers appropriate in consequence of the revoking regulations, including provision for securing that any instrument which was made or could have been made or purports to be made by virtue of the revoked regulations has effect and is deemed always to have had effect, with or without modifications, by virtue of the revoking regulations ; and the Secretary of State may by regulations vary or revoke any provision included by virtue of this subsection in other regulations.

- (3) The powers to make regulations conferred by the preceding provisions of this section—
- (a) shall be exercisable by statutory instrument; and
 - (b) include power to make different provision for different circumstances;
- and any statutory instrument made by virtue of this subsection shall be subject to annulment in pursuance of a resolution of either House of Parliament; but nothing in subsection (1) of this section shall be construed as derogating from any power to correct errors or set aside decisions which is exercisable apart from regulations made by virtue of that subsection.
- (4) Where any provision of Part II of the Social Security Act 1973 allows for specified matters to be dealt with by, or determined in accordance with, regulations made by the Secretary of State or by him and the Minister for the Civil Service jointly, any regulations made by virtue of that provision may provide for those matters to be dealt with by the Occupational Pensions Board in their discretion, or to be determined in accordance with the exercise by the Board of a discretion vested in them by the regulations, and for the Board's discretion to be exercised either generally in regard to those matters or differently in regard to particular cases or classes of case; and this subsection shall be deemed always to have had effect.
- (5) The enactments specified in Schedule 4 to this Act shall have effect subject to the amendments there specified (which are amendments in connection with the consolidation of enactments relating to social security and other minor amendments).

Supplemental

7 Expenses

There shall be paid out of money provided by Parliament—

- (a) any increase attributable to section 1 of this Act in the sums payable out of money so provided on account of benefit by virtue of section 13(1) and (2) of the National Insurance Act 1971;
- (b) subject to the provision made by section 85 of the Insurance Act for reimbursement out of the National Insurance Fund and by section 61 of the Industrial Injuries Act for reimbursement out of the Industrial Injuries Fund, any increase attributable to this Act in the expenses of any government department which are so payable under either of those sections ; and
- (c) subject to the provision made by subsection (4) of section 46 of the Social Security Act 1973 for reimbursement out of the National Insurance Fund, any increase attributable to section 5 of this Act in the sums so payable under subsection (2) of the said section 46 in respect of the expenses and benefits mentioned in that subsection;

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and the references in paragraph (b) of this section to section 61 of the Industrial Injuries Act include references to that section as applied by section 13 of the Old Cases Act.

8 Citation, construction, commencement, repeals and extent

- (1) This Act may be cited as the National Insurance Act 1974.
- (2) In this Act—
 - " the Act of 1973 " means the National Insurance and Supplementary Benefit Act 1973 ;
 - " the Insurance Act " means the National Insurance Act 1965;
 - " the Industrial Injuries Act " means the National Insurance (Industrial Injuries) Act 1965 ; and
 - " the Old Cases Act " means the Industrial Injuries and Diseases (Old Cases) Act 1967.
- (3) This Act—
 - (a) may be cited with the National Insurance Acts 1965 to 1973 as the National Insurance Acts 1965 to 1974 and, so far as this Act relates to the subject matter of those Acts, shall (except for section 6(1) to (3)) be construed as one with the Insurance Act; and
 - (b) may be cited with the National Insurance (Industrial Injuries) Acts 1965 to 1973 as the National Insurance (Industrial Injuries) Acts 1965 to 1974 and, so far as this Act relates to the subject matter of those Acts, shall (except for section 6(1) to (3)) be construed as one with the Industrial Injuries Act; and
 - (c) may be cited with the Industrial Injuries and Diseases (Old Cases) Acts 1967 to 1973 as the Industrial Injuries and Diseases (Old Cases) Acts 1967 to 1974.
- (4) Schedule 5 to this Act shall have effect with respect to the commencement of this Act and with respect to the transitional matters dealt with in that Schedule.
- (5) The enactments mentioned in the first and second columns of Schedule 6 to this Act are hereby repealed to the extent specified in the third column of that Schedule.
- (6) The following provisions only of this Act extend to Northern Ireland, namely—
 - (a) subsections (1) and (3) of section 6, so far as those subsections relate to a decision or record of a decision given with respect to any question arising under or in connection with the Social Security Act 1973 (except Part I of that Act), and subsections (4) and (5) of that section;
 - (b) this section except subsections (2) and (3);
 - (c) paragraph 1 of Schedule 5 ; and
 - (d) Schedules 4 to 6 so far as they relate to enactments which extend to Northern Ireland but excluding Schedule 6 so far as it repeals provisions of sections 1 to 3 of the Act of 1973 and Schedules 1 to 3 to that Act.