

SCHEDULES

SCHEDULE 9

NEW THRESHOLD FOR PRIMARY CLASS 1 CONTRIBUTIONS

PART I

NEW PRIMARY THRESHOLD

Calculation of primary Class 1 contributions

4 For section 8 of the Contributions and Benefits Act substitute—

“8 Calculation of primary Class 1 contributions

- (1) Where a primary Class 1 contribution is payable as mentioned in section 6(1)
 - (a) above, the amount of that contribution shall be the primary percentage of so much of the earner’s earnings paid in the tax week, in respect of the employment in question, as—
 - (a) exceeds the current primary threshold (or the prescribed equivalent); and
 - (b) does not exceed the current upper earnings limit (or the prescribed equivalent);but this subsection is subject to regulations under section 6(6) above and sections 116 to 120 below and to section 41 of the Pensions Act (reduced rates of Class 1 contributions for earners in contracted-out employment).
- (2) For the purposes of this Act the primary percentage shall be 10 per cent; but the percentage is subject to alteration under sections 143 and 145 of the Administration Act.”