

SCHEDULES

SCHEDULE 9

NEW THRESHOLD FOR PRIMARY CLASS 1 CONTRIBUTIONS

PART I

NEW PRIMARY THRESHOLD

Earnings limits and thresholds for Class 1 contributions

1 For section 5 of the Contributions and Benefits Act substitute—

“5 Earnings limits and thresholds for Class 1 contributions

- (1) For the purposes of this Act there shall for every tax year be—
 - (a) the following for primary Class 1 contributions—
 - (i) a lower earnings limit,
 - (ii) a primary threshold, and
 - (iii) an upper earnings limit; and
 - (b) a secondary threshold for secondary Class 1 contributions.
Those limits and thresholds shall be the amounts specified for that year by regulations which, in the case of those limits, shall be made in accordance with subsections (2) and (3) below.
- (2) The amount specified as the lower earnings limit for any tax year shall be an amount equal to or not more than 99p less than—
 - (a) the sum which at the beginning of that year is specified in section 44(4) below as the weekly rate of the basic pension in a Category A retirement pension; or
 - (b) that sum as increased by any Act or order passed or made before the beginning of that year and taking effect before 6th May in that year.
- (3) The amount specified as the upper earnings limit for any tax year shall be an amount which either—
 - (a) is equal to 7 times the sum which is the primary threshold for that year; or
 - (b) exceeds or falls short of 7 times that sum by an amount not exceeding half that sum.
- (4) Regulations may, in the case of each of the limits or thresholds mentioned in subsection (1) above, prescribe an equivalent of that limit or threshold in relation to earners paid otherwise than weekly (and references in this or any other Act to “the prescribed equivalent”, in the context of any of those limits

Status: This is the original version (as it was originally enacted).

or thresholds, are accordingly references to the equivalent prescribed under this subsection in relation to such earners).

- (5) The power conferred by subsection (4) above to prescribe an equivalent of any of those limits or thresholds includes power to prescribe an amount which exceeds, by not more than £1.00, the amount which is the arithmetical equivalent of that limit or threshold.
- (6) Regulations under this section shall be made by the Treasury.”