



# National Insurance Contributions Act 2002

## 2002 CHAPTER 19

### *Increases in contributions*

#### **1 Primary Class 1 contributions**

- (1) For section 8 of the Social Security Contributions and Benefits Act 1992 (c. 4) 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 is the aggregate of—
- (a) the main primary percentage of so much of the earner’s earnings paid in the tax week, in respect of the employment in question, as—
    - (i) exceeds the current primary threshold (or the prescribed equivalent); but
    - (ii) does not exceed the current upper earnings limit (or the prescribed equivalent); and
  - (b) the additional primary percentage of so much of those earnings as exceeds the current upper earnings limit (or the prescribed equivalent).
- (2) For the purposes of this Act—
- (a) the main primary percentage is 11 per cent; and
  - (b) the additional primary percentage is 1 per cent;
- but the main primary percentage is subject to alteration under sections 143 and 145 of the Administration Act.
- (3) Subsection (1) above is subject to—
- (a) regulations under section 6(6) above;
  - (b) regulations under sections 116 to 120 below; and
  - (c) sections 41 and 42A of the Pensions Act (reduced rates of Class 1 contributions for earners in contracted-out employment).”

- (2) For section 8 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7) 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 is the aggregate of—
- (a) the main primary percentage of so much of the earner’s earnings paid in the tax week, in respect of the employment in question, as—
    - (i) exceeds the current primary threshold (or the prescribed equivalent); but
    - (ii) does not exceed the current upper earnings limit (or the prescribed equivalent); and
  - (b) the additional primary percentage of so much of those earnings as exceeds the current upper earnings limit (or the prescribed equivalent).
- (2) For the purposes of this Act—
- (a) the main primary percentage is 11 per cent; and
  - (b) the additional primary percentage is 1 per cent;
- but the main primary percentage is subject to alteration under section 129 of the Administration Act.
- (3) Subsection (1) above is subject to—
- (a) regulations under section 6(6) above;
  - (b) regulations under sections 116 to 119 below; and
  - (c) sections 37 and 38A of the Pensions Act (reduced rates of Class 1 contributions for earners in contracted-out employment).”

**2 Secondary Class 1 contributions**

- (1) In section 9 of the Social Security Contributions and Benefits Act 1992 (c. 4) (calculation of secondary Class 1 contributions: Great Britain), for subsections (2) and (3) substitute—

“(2) For the purposes of this Act the secondary percentage is 12.8 per cent; but that percentage is subject to alteration under sections 143 and 145 of the Administration Act.

- (3) Subsection (1) above is subject to—
- (a) regulations under section 6(6) above;
  - (b) regulations under sections 116 to 120 below; and
  - (c) sections 41 and 42A of the Pensions Act (reduced rates of Class 1 contributions for earners in contracted-out employment).”

- (2) In section 9 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7) (calculation of secondary Class 1 contributions: Northern Ireland), for subsections (2) and (3) substitute—

“(2) For the purposes of this Act the secondary percentage is 12.8 per cent; but that percentage is subject to alteration under section 129 of the Administration Act.

- (3) Subsection (1) above is subject to—
- (a) regulations under section 6(6) above;
  - (b) regulations under sections 116 to 119 below; and
  - (c) sections 37 and 38A of the Pensions Act (reduced rates of Class 1 contributions for earners in contracted-out employment)."

### **3 Class 4 contributions**

- (1) In section 15 of the Social Security Contributions and Benefits Act 1992 (Class 4 contributions recoverable under Income Tax Acts: Great Britain), for subsection (3) substitute—

“(3) The amount of a Class 4 contribution under this section for any tax year is equal to the aggregate of—

- (a) the main Class 4 percentage of so much of the profits or gains referred to in subsection (1) above (computed in accordance with Schedule 2 to this Act) as exceeds £4,615 but does not exceed £30,940; and
- (b) the additional Class 4 percentage of so much of those profits or gains as exceeds £30,940;

but the figures specified in this subsection are subject to alteration under section 141 of the Administration Act.

(3ZA) For the purposes of this Act—

- (a) the main Class 4 percentage is 8 per cent; and
- (b) the additional Class 4 percentage is 1 per cent;

but the main Class 4 percentage is subject to alteration under section 143 of the Administration Act.”

- (2) In section 15 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (Class 4 contributions recoverable under Income Tax Acts: Northern Ireland), for subsection (3) substitute—

“(3) The amount of a Class 4 contribution under this section for any tax year is equal to the aggregate of—

- (a) the main Class 4 percentage of so much of the profits or gains referred to in subsection (1) above (computed in accordance with Schedule 2 to the Great Britain Contributions and Benefits Act, the text of which is set out as Schedule 2 to this Act) as exceeds £4,615 but does not exceed £30,940; and
- (b) the additional Class 4 percentage of so much of those profits or gains as exceeds £30,940;

but the figures specified in this subsection are subject to alteration under section 129 of the Administration Act.

(3ZA) For the purposes of this Act—

- (a) the main Class 4 percentage is 8 per cent; and
- (b) the additional Class 4 percentage is 1 per cent;

but the main Class 4 percentage is subject to alteration under section 129 of the Administration Act.”

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

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- (3) In section 18 of the Social Security Contributions and Benefits Act 1992 (c. 4) (Class 4 contributions recoverable under regulations: Great Britain), after subsection (1) insert—

“(1A) The amount of a Class 4 contribution payable by virtue of regulations under this section is equal to the aggregate of—

- (a) the main Class 4 percentage of so much of the total of the earnings referred to in subsection (1)(b) above as exceeds £4,615 but does not exceed £30,940; and
- (b) the additional Class 4 percentage of so much of that total as exceeds £30,940;

but the figures specified in this subsection are subject to alteration under section 141 of the Administration Act.”

- (4) In section 18 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7) (Class 4 contributions recoverable under regulations: Northern Ireland), after subsection (1) insert—

“(1A) The amount of a Class 4 contribution payable by virtue of regulations under this section is equal to the aggregate of—

- (a) the main Class 4 percentage of so much of the total of the earnings referred to in subsection (1)(b) above as exceeds £4,615 but does not exceed £30,940; and
- (b) the additional Class 4 percentage of so much of that total as exceeds £30,940;

but the figures specified in this subsection are subject to alteration under section 129 of the Administration Act.”