



National Insurance Contributions Act 2014

2014 CHAPTER 7

Introduction of age-related secondary percentage

9 Reduction of secondary Class 1 contributions for certain age groups

- (1) SSCBA 1992 is amended as follows.
- (2) In section 9 (calculation of secondary Class 1 contributions)—
 - (a) in subsection (1) for “the secondary percentage” substitute “ the relevant percentage ”, and
 - (b) after subsection (1) insert—

“(1A) For the purposes of subsection (1) “the relevant percentage” is—

 - (a) if section 9A below applies to the earnings, the age-related secondary percentage;
 - (b) otherwise, the secondary percentage.”
- (3) After section 9 insert—

“9A The age-related secondary percentage

- (1) Where a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above, this section applies to the earnings paid in the tax week, in respect of the employment in question, if the earner falls within an age group specified in column 1 of the table in subsection (3).
- (2) For the purposes of section 9(1A)(a) above, the age-related secondary percentage is the percentage for the earner's age group specified in column 2 of the table.
- (3) Here is the table—

| <i>Age group</i> | <i>Age-related secondary percentage</i> |
|------------------|---|
| Under 21 | 0% |

Changes to legislation: There are currently no known outstanding effects for the National Insurance Contributions Act 2014, Section 9. (See end of Document for details)

- (4) The Treasury may by regulations amend the table—
- (a) so as to add an age group in column 1 and to specify the percentage in column 2 for that age group;
 - (b) so as to reduce (or further reduce) the percentage specified in column 2 for an age group already specified in column 1 (whether for the whole of the age group or only part of it).
- (5) A percentage specified under subsection (4)(a) must be lower than the secondary percentage.
- (6) For the purposes of this Act a person is still to be regarded as being liable to pay a secondary Class 1 contribution even though the amount of the contribution is £0 because the age-related secondary percentage is 0%.
- (7) The Treasury may by regulations provide that, in relation to an age group specified in the table, there is to be for every tax year an upper secondary threshold for secondary Class 1 contributions.

That threshold is to be the amount specified for that year by regulations made by the Treasury.

- (8) Subsections (4) and (5) of section 5 above (which confer power to prescribe an equivalent of a secondary threshold in relation to earners paid otherwise than weekly), and subsection (6) of that section as it applies for the purposes of those subsections, apply for the purposes of an upper secondary threshold in relation to an age group as they apply for the purposes of a secondary threshold.
- (9) Where—
- (a) a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above,
 - (b) the earner falls within an age group in relation to which provision has been made under subsection (7), and
 - (c) the earnings paid in the tax week, in respect of the employment in question, exceed the current upper secondary threshold (or the prescribed equivalent) in relation to the age group,

this section is not to apply to the earnings so far as they exceed that threshold (or the prescribed equivalent); and for the purposes of section 9(1) above the relevant percentage in respect of the earnings so far as they exceed that threshold (or the prescribed equivalent) is, accordingly, to be the secondary percentage.

- (10) In subsections (7) to (9) references to an age group include a part of an age group.”

- (4) In section 122(1) (interpretation of Parts 1 to 6), at the appropriate place insert—

““age-related secondary percentage” is to be construed in accordance with section 9A(2) above;”.

- (5) In section 176(1)(a) (parliamentary control: instruments subject to affirmative procedure) after “section 4C;” insert— “ section 9A(7); ”.
- (6) SSCB(NI)A 1992 is amended as follows.

- (7) In section 9 (calculation of secondary Class 1 contributions)—
- (a) in subsection (1) for “the secondary percentage” substitute “ the relevant percentage ”, and
 - (b) after subsection (1) insert—
 - “(1A) For the purposes of subsection (1) “the relevant percentage” is—
 - (a) if section 9A below applies to the earnings, the age-related secondary percentage;
 - (b) otherwise, the secondary percentage.”
- (8) After section 9 insert—

“9A The age-related secondary percentage

- (1) Where a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above, this section applies to the earnings paid in the tax week, in respect of the employment in question, if the earner falls within an age group specified in column 1 of the table in subsection (3).
- (2) For the purposes of section 9(1A)(a) above, the age-related secondary percentage is the percentage for the earner's age group specified in column 2 of the table.
- (3) Here is the table—

| <i>Age group</i> | <i>Age-related secondary percentage</i> |
|------------------|---|
| Under 21 | 0% |

- (4) The Treasury may by regulations amend the table—
 - (a) so as to add an age group in column 1 and to specify the percentage in column 2 for that age group;
 - (b) so as to reduce (or further reduce) the percentage specified in column 2 for an age group already specified in column 1 (whether for the whole of the age group or only part of it).
- (5) A percentage specified under subsection (4)(a) must be lower than the secondary percentage.
- (6) For the purposes of this Act a person is still to be regarded as being liable to pay a secondary Class 1 contribution even though the amount of the contribution is £0 because the age-related secondary percentage is 0%.
- (7) The Treasury may by regulations provide that, in relation to an age group specified in the table, there is to be for every tax year an upper secondary threshold for secondary Class 1 contributions.

That threshold is to be the amount specified for that year by regulations made by the Treasury.
- (8) Subsections (4) and (5) of section 5 above (which confer power to prescribe an equivalent of a secondary threshold in relation to earners paid otherwise than weekly), and subsection (6) of that section as it applies for the purposes of those subsections, apply for the purposes of an upper secondary threshold

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in relation to an age group as they apply for the purposes of a secondary threshold.

(9) Where—

- (a) a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above,
- (b) the earner falls within an age group in relation to which provision has been made under subsection (7), and
- (c) the earnings paid in the tax week, in respect of the employment in question, exceed the current upper secondary threshold (or the prescribed equivalent) in relation to the age group,

this section is not to apply to the earnings so far as they exceed that threshold (or the prescribed equivalent); and for the purposes of section 9(1) above the relevant percentage in respect of the earnings so far as they exceed that threshold (or the prescribed equivalent) is, accordingly, to be the secondary percentage.

(10) In subsections (7) to (9) references to an age group include a part of an age group.”

(9) In section 121(1) (interpretation of Parts 1 to 6), at the appropriate place insert—

““age-related secondary percentage” is to be construed in accordance with section 9A(2) above;”.

(10) In section 172(11A) (parliamentary control: instruments subject to affirmative procedure) after “4C,” insert “ 9A(7), ”.

(11) The following come into force at the end of the period of 2 months beginning with the day on which this Act is passed—

- (a) any power conferred on the Treasury by virtue of this section to make regulations, and
- (b) the amendments made by subsections (5) and (10).

(12) So far as not already brought into force by subsection (11), the amendments made by this section come into force on 6 April 2015.

Commencement Information

- II** S. 9 wholly in force at 6.4.2015; s. 9 in force at Royal Assent but the amendments made by this section come into force as follows, see s. 9(11)(12): the amendments in s. 9(5)(10) in force at 13.5.2014; the amendments in s. 9(3)(8) in force for specified purposes at 13.5.2014 and otherwise in force at 6.4.2015; the amendments in s. 9(2)(4)(7)(9) in force at 6.4.2015

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