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 STATUTORY INSTRUMENTS
 

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1979 No. 1694

## SOCIAL SECURITY

## The Social Security (Contributions, Re-rating) Order 1979

*Laid before Parliament in draft*

Made - - - - 18th December 1979

Coming into Operation 6th April 1980

Whereas the Secretary of State for Social Services, with a view to adjusting the level at which the National Insurance Fund stands and having regard to the sums which may be expected to be paid from that Fund in the tax year 1980–81, thinks it expedient to alter the percentage rates for Class 1 contributions under the Social Security Act 1975(a);

And whereas the said Secretary of State, as a result of carrying out in the tax year 1979–80 a review of the general level of earnings pursuant to subsections (2) and (3) of section 120 of the said Act, has determined that an order should be made under that section amending Part I of the said Act by altering the rates of Class 2 and Class 3 contributions, the amount of earnings below which an earner may be excepted from liability for Class 2 contributions and the lower and upper limits of profits or gains to be taken into account for Class 4 contributions;

And whereas a draft of the following order was laid before Parliament and approved by resolution of each House of Parliament:

Now, therefore, the Secretary of State for Social Services, in conjunction with the Treasury so far as relates to matters with regard to which the Treasury has so directed(b), in exercise of the powers conferred on him by sections 120(5) and (6), 121(2) and 122(1)(a) of the said Act and of all other powers enabling him in that behalf, hereby makes the following order:—

*Citation, commencement and interpretation*

1.—(1) This order may be cited as the Social Security (Contributions, Re-rating) Order 1979 and shall come into operation on 6th April 1980.

(2) Article 6 of this order shall come into operation immediately after the coming into operation of Articles 1 to 5.

(3) In this order “the Act” means the Social Security Act 1975.

*Percentage rates of Class 1 contributions*

2. In section 4(6) of the Act (rate of Class 1 contributions)—

(a) in paragraph (a) (primary contribution) for the words “6.5 per cent”(c) there shall be substituted the words “6.75 per cent.”; and

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(a) 1975 c. 14.

(b) See Social Security Act 1975, section 166(5).

(c) See S.I. 1977/2180, article 2(a).

- (b) in paragraph (b) (secondary contribution) for the words "10 per cent"(a) there shall be substituted the words "10.25 per cent."

*Rate of, and small earnings exception from, Class 2 contributions*

3. In section 7 of the Act (Class 2 contributions)—

- (a) in subsection (1) (weekly rate) for "£2.10"(b) there shall be substituted "£2.50";
- (b) in subsection (5) (small earnings exception) for "£1,050"(c) there shall be substituted "£1,250".

*Amount of Class 3 contribution*

4. In section 8(1) of the Act (amount of Class 3 contribution) for "£2"(d) there shall be substituted "£2.40".

*Lower and upper limits for Class 4 contributions*

5. In sections 9(2) and 10(1) of the Act (Class 4 contributions recoverable under Tax Acts and regulations)—

- (a) for "£2,250" (lower limit)(e) wherever that figure appears there shall be substituted in each of those sections "£2,650";
- (b) for "£7,000" (upper limit)(f) there shall be substituted in each of those sections "£8,300".

*Revocations*

6. The orders specified in column 1 of the Schedule to this order are hereby revoked to the extent mentioned in column 3 of that Schedule.

17th December 1979.

*Patrick Jenkin,*  
Secretary of State for Social Services.

18th December 1979.

*David Waddington,*  
*J. A. Douglas-Hamilton,*  
Two of the Lords Commissioners  
of Her Majesty's Treasury.

(a) See S.I. 1977/2180, article 2(b).  
(c) See S.I. 1978/1840, article 2(b).  
(e) See S.I. 1978/1840, article 4(a).

(b) See S.I. 1978/1840, article 2(a).  
(d) See S.I. 1978/1840, article 3.  
(f) See S.I. 1978/1840, article 4(b).

## SCHEDULE

*Article 6*

## REVOCATIONS

Column 1 <i>Orders revoked</i>	Column 2 <i>References</i>	Column 3 <i>Extent of revocation</i>
The Social Security (Contributions, Re-rating) Order 1975	S.I. 1975/1829	The whole order
The Social Security (Contributions, Re-rating) Order 1977	S.I. 1977/113	The whole order
The Social Security (Contributions, Re-rating) (No. 2) Order 1977	S.I. 1977/2180	Articles 2, 3, 4, 5(b) and (c)
The Social Security (Contributions, Re-rating) Order 1978	S.I. 1978/1840	The whole order

## EXPLANATORY NOTE

*(This Note is not part of the Order.)*

This Order increases the rates of Class 1, 2 and 3 contributions payable under the Social Security Act 1975. It increases the amount of earnings below which an earner may be excepted from liability for Class 2 contributions, and the lower and upper limits of profits or gains between which Class 4 contributions are payable.

In accordance with sections 121(1) and 123(2) of the Social Security Act 1975 a copy of a report by the Government Actuary (Cmnd. 7771) giving his opinion on the likely effect on the National Insurance Fund of the making of the Order, was laid before Parliament with a draft of it.

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