

1987 No. 316

SOCIAL SECURITY

**The Social Security (Earnings Factor) Amendment
Regulations 1987**

<i>Made - - - -</i>	<i>3rd March 1987</i>
<i>Laid before Parliament</i>	<i>6th March 1987</i>
<i>Coming into force</i>	<i>29th March 1987</i>

The Secretary of State for Social Services, in exercise of the powers conferred upon him by section 13(5) and (5A) of and Schedule 20 to the Social Security Act 1975(a) and section 6(5A) of the Social Security Pensions Act 1975(b), and of all other powers enabling him in that behalf, after agreement by the Social Security Advisory Committee that proposals to make these regulations should not be referred to it(c), hereby makes the following regulations:

Citation and commencement

1. These regulations may be cited as the Social Security (Earnings Factor) Amendment Regulations 1987 and shall come into force on 29th March 1987.

Earnings Factors for the tax year 1986-87

2. For the tax year commencing 6th April 1986, paragraph 2 of Schedule 1 to the Social Security (Earnings Factor) Regulations 1979(d) shall have effect as if for sub-paragraphs (e) and (f) there were substituted the following sub-paragraphs—

“(e) F is—

- (i) in relation to any Class 1 contributions paid at a rate specified in section 4(6)–(6B) of the Act—
 - (aa) 1.8 where P–Q is less than £156;
 - (bb) $\frac{142}{P-Q} + 0.89$ where P–Q is not less than £156 but not greater than £1,290.91;
 - (cc) 1, where P–Q is greater than £1,290.91;
- (ii) in relation to any Class 1 contributions paid at a rate so specified as modified by regulations under section 128 of the Act—
 - (aa) 1.976, where P is less than £127.90;
 - (bb) $\frac{140.2}{P} + 0.88$, where P is not less than £127.90 but not greater than £1,161.82;
 - (cc) 1, where P is greater than £1,161.82;

(a) 1975 c.14; section 13(5A) was inserted by the Social Security Act 1985 (c.53), section 29(1), Schedule 5, paragraph 6.

(b) 1975 c.60; section 6(5A) was inserted by the Social Security Act 1985, section 29(1); Schedule 5, paragraph 16; Schedule 20 is cited because of the meaning ascribed to the words “prescribed” and “regulations”.

(c) See section 10(2)(b) of the Social Security Act 1980 (c.30).

(d) S.I. 1979/676; the relevant amending instrument is S.I. 1985/1417.

- (iii) in relation to any Class 1 contributions paid at a rate so specified as modified by regulations under section 129 of the Act—
- (aa) 1.842, where P is less than £148.18;
- (bb) $\frac{141.5}{P} + 0.887$, where P is not less than £148.18 but not greater than £1,255.05;
- (cc) 1, where P is greater than £1,255.05;
- (iv) in relation to such part of any Class 1 contributions as is paid at the normal percentage in accordance with section 27(1)(a) of the Pensions Act in a year in which no payment is made of contributions to which head (i) above applies—
- (aa) 1.8, where P-Q is less than £98.80;
- (bb) $\frac{177.84}{P-Q}$, where P-Q is not less than £98.80 but not greater than £177.84;
- (cc) 1, where P-Q is greater than £177.84;
- (v) in relation to such part of any Class 1 contributions as is paid at the normal percentage in accordance with section 27(1)(a) of the Pensions Act in a year in which there are also paid contributions to which head (i) applies—
- (aa) 1.8, where P-Q is less than £156;
- (bb) $\frac{142}{P-Q} + 0.89$ where P-Q is not less than £156 but not greater than £1,290.91;
- (cc) 1, where P-Q is greater than £1,290.91;
- (vi) in relation to such part of any Class 1 contributions as is paid at the normal percentage in accordance with section 27(1)(a) of the Pensions Act as modified by regulations under section 128 of the Act—
- (aa) 1.976, where P-Q is less than £81.02;
- (bb) $\frac{160.06}{P-Q}$, where P-Q is not less than £81.02 but not greater than £160.06;
- (cc) 1, where P-Q is greater than £160.06;
- (vii) in relation to such part of any Class 1 contributions as is paid at the normal percentage in accordance with section 27(1)(a) of the Pensions Act as modified by regulations under section 129 of the Act—
- (aa) 1.842, where P-Q is less than £93.86;
- (bb) $\frac{172.90}{P-Q}$, where P-Q is not less than £93.86 but not greater than £172.90;
- (cc) 1, where P-Q is greater than £172.90;
- (f) G is—
- (i) in relation to any Class 1 contributions paid at the highest of the rates specified in section 4(6)–(6B) of the Act or to any contracted-out contributions ascertained by reference to section 27(2)(a) of the Pensions Act—
- (aa) 2.4, where Q is less than £48.48;
- (bb) $\frac{72}{Q} + 0.915$, where Q lies between £48.48 and £847.06;
- (cc) 1, where Q is greater than £847.06;
- (ii) in relation to any contracted-out contributions ascertained by reference to section 27(2)(a) of the Pensions Act, as modified by regulations under section 128 of the Act—
- (aa) 3.05, where Q is less than £33.05;
- (bb) $\frac{71}{Q} + 0.902$, where Q lies between £33.05 and £724.49;
- (cc) 1, where Q is greater than £724.49;

- (iii) in relation to any contracted-out contributions ascertained by reference to section 27(2)(a) of the Pensions Act, as modified by regulations under section 129 of the Act—
- (aa) 2.54, where Q is less than £44.20;
 - (bb) $\frac{72}{Q} + 0.911$, where Q lies between £44.20 and £808.99;
 - (cc) 1, where Q is greater than £808.99;
- and the amount resulting shall be rounded to the nearest whole penny.”.

Signed by authority of the Secretary of State for Social Services.

3rd March 1987

John Major
Minister of State, Department of Health and Social Security

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Social Security (Earnings Factor) Amendment Regulations 1985 made provision for employed earners who paid primary Class 1 contributions at a reduced rate as from 6th October 1985 to have the earnings factor derived from those contributions boosted in accordance with a formula.

Regulation 2 of these regulations applies new figures to that formula for the tax year 1986–87. These figures reflect the increases made as from 6th April 1986 in the amount of weekly earnings specified in the earnings brackets in section 4(6B) of the Social Security Act 1975, and so preserve the value of the formula for the tax year 1986–87.