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STATUTORY INSTRUMENTS

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**2012 No. 804**

**SOCIAL SECURITY**

**The Social Security (Contributions) (Limits and Thresholds) (Amendment) Regulations 2012**

*Made* - - - - - *12th March 2012*

*Coming into force* - - - - - *6th April 2012*

These Regulations are made by the Treasury in exercise of the powers conferred by sections 5(1) and (4) to (6) and 175(3) of the Social Security Contributions and Benefits Act 1992 (“the Contributions Act”)(1) and sections 5(1) and (4) to (6) and 171(3) and (10) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (“the Northern Ireland Contributions Act”)(2).

A draft of this instrument was laid before Parliament in accordance with section 176(1)(za) and (zb)(3) of the Contributions Act and section 172(11ZA) and (11ZB)(4) of the Northern Ireland Contributions Act and approved by a resolution of each House of Parliament.

**Citation and commencement**

1.—(1) These Regulations may be cited as the Social Security (Contributions) (Limits and Thresholds) (Amendment) Regulations 2012.

(2) These Regulations shall come into force on 6th April 2012.

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- (1) [1992 c. 4](#). Section 5 was substituted by paragraph 1 of Part 1 of Schedule 9 to the Welfare Reform and Pensions Act [1999 \(c. 30\)](#) (“the WRPA 1999”). Section 5(1) was amended by section 1(1)(a) of, and Schedule 2 to, the National Insurance Contributions Act [2008 \(c. 16\)](#) (“the Contributions Act 2008”).
- (2) [1992 c. 7](#). Section 5 was substituted by paragraph 1 of Part 1 of Schedule 10 to the WRPA 1999. Section 5(1) was amended by section 2(1)(a) of, and Schedule 2 to, the Contributions Act 2008. Section 171(10) was substituted by paragraph 28(3) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 ([S.I. 1999/671](#)).
- (3) Section 176(1)(za) was inserted by section 7(5) of the Pensions Act [2007 \(c. 22\)](#) (“the PA 2007”). Section 176(1)(za) provides that a statutory instrument containing regulations under section 5 of the Contributions Act 2008 specifying the lower earnings limit for the tax year following the designated tax year (for the purposes of section 5 of the PA 2007) or any subsequent tax year shall not be made unless a draft of the instrument has been laid before Parliament and has been approved by a resolution of each House. [S.I. 2010/2650](#) provides that the designated tax year for the purposes of section 5 of the PA 2007 is the tax year 2010-11. Further, section 7(3) of the PA 2007 provides that section 5(2) (link between lower earnings limit and weekly rate of basic pension) of the Contributions Act 2008 is omitted and section 7(4) of the PA 2007 provides that the omission has effect in relation to the tax year following the designated tax year and any subsequent tax year. Section 176(1)(zb) was inserted by section 1(2) of the Contributions Act 2008.
- (4) Section 172(11ZA) was inserted by section 8(5) of the PA 2007. The designated tax year for these purposes is the tax year 2010-11 – see footnote (c) above. Section 172(11ZB) was inserted by section 2(2) of the Contributions Act 2008.

## **Amendments to the Social Security (Contributions) Regulations 2001**

2. The Social Security (Contributions) Regulations 2001<sup>(5)</sup> are amended as follows.
3. In regulation 10 (earnings limits and thresholds)—
  - (a) for “2011” substitute “2012”;
  - (b) in paragraph (a) (lower earnings limit: primary Class 1 contributions) for “£102” substitute “£107”;
  - (c) in paragraph (c) (primary threshold: primary Class 1 contributions) for “£139” substitute “£146”; and
  - (d) in paragraph (d) (secondary threshold: secondary Class 1 contributions) for “£136” substitute “£144”.
4. In regulation 11 (prescribed equivalents)—
  - (a) in paragraph (3)—
    - (i) in sub-paragraph (a) for “£602” substitute “£634”; and
    - (ii) in sub-paragraph (b) for “£7,225” substitute “£7,605”.
  - (b) in paragraph (3A)—
    - (i) in sub-paragraph (a) for “£589” substitute “£624”; and
    - (ii) in sub-paragraph (b) for “£7,072” substitute “£7,488”.

12th March 2012

*Angela Watkinson*  
*Michael Fabricant*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

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(5) [S.I. 2001/1004](#), amended by [S.I. 2011/940](#); there are other amending instruments but none is relevant.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Social Security (Contributions) Regulations 2001 (“the principal Regulations”).

Regulation 3 amends regulation 10 of the principal Regulations to specify the levels of the lower earnings limit for primary Class 1 contributions and the primary and secondary thresholds for primary and secondary Class 1 contributions for the tax year beginning 6th April 2012. The level of the upper earnings limit for the tax year 2012-2013 will remain at the same level as for the tax year 2011-2012 and therefore there is no reference to the level of the upper earnings limit on the face of the instrument; however, by amending “2011” to “2012”, regulation 3 also specifies the level of the upper earnings limit for primary Class 1 contributions for the tax year beginning 6th April 2012.

Regulation 4 amends regulation 11 of the principal Regulations so as to provide for equivalents of the primary threshold and secondary threshold where the earnings period is a month or a year.

A Tax Information and Impact Note covering this instrument was published on 23 March 2011 alongside Budget 2011. This has been updated as a result of changes to the impacts as a result of this instrument and is available on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.