
STATUTORY INSTRUMENTS

2016 No. 343

The Social Security (Contributions) (Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2016

PART 2

Limits and thresholds for National Insurance contributions

Amendment of upper profits limit for Class 4 National Insurance contributions

2. In sections 15(3) and 18(1A) of the Social Security Contributions and Benefits Act 1992(1) and the Social Security Contributions and Benefits (Northern Ireland) Act 1992(2) (Class 4 contributions recoverable under the Income Tax Acts and under regulations), for “£42,385” (upper limit) in each place where it appears substitute “£43,000”.

Amendments to the Social Security (Contributions) Regulations 2001

3. The Social Security (Contributions) Regulations 2001(3) are amended as follows.
4. In regulation 10 (earnings limits and thresholds)—
- (a) in the introductory words—
 - (i) for “ and 9A” substitute “, 9A and 9B”;
 - (ii) for “2015” substitute “2016”;
 - (b) in paragraph (b) (upper earnings limit: primary Class 1 contributions), for “£815” substitute “£827”;
 - (c) after paragraph (d) (secondary threshold: secondary Class 1 contributions), omit “and”;
 - (d) in paragraph (e) (upper secondary threshold: secondary Class 1 contributions in relation to the Under 21 group)—
 - (i) for “£815” substitute “£827”; and
 - (ii) immediately before the end of that paragraph insert—
“(;) and

(1) Section 15(3) was substituted by section 3(1) of the NICA 2002 and amended by paragraph 420(3) of Schedule 1 to the Income Tax (Trading and Other Income) Act 2005 (c. 5) (“ITTOIA”). Section 18(1A) was inserted by section 3(3) of the NICA 2002. The amount of the upper limits in each of these provisions was last substituted by article 3 of S.I. 2015/588.

(2) Section 15(3) was substituted by section 3(2) of the NICA 2002 and amended by paragraph 424(3) of Schedule 1 to ITTOIA. Section 18(1A) was inserted by section 3(4) of the NICA 2002. The amount of the upper limit in each of these provisions was last substituted by article 3 of S.I. 2015/588.

(3) S.I. 2001/1004; relevant amending instruments are S.I. 2009/111, 2011/940 and 2015/577.

(f) the upper secondary threshold for secondary Class 1 contributions in relation to relevant apprentices⁽⁴⁾ (for the upper limit of zero-rate secondary Class 1 contributions) shall be £827”.

5. In regulation 11 (prescribed equivalents)—

(a) in paragraph (1)—

(i) in the introductory words for “and the primary and secondary thresholds” substitute “, the primary and secondary thresholds and the upper secondary thresholds”; and

(ii) in sub-paragraph (a)—

(aa) for “and 9(1)” substitute “9(1), 9A(9), and 9B(6)”; and

(bb) for “and the calculation of secondary Class 1 contributions” substitute “, the calculation of secondary Class 1 contributions, the calculation of secondary Class 1 contributions in relation to the Under 21 age group and the calculation of secondary Class 1 contributions in relation to relevant apprentices”;

(b) in paragraph (2A)—

(i) in sub-paragraph (a) for “£3,532” substitute “£3,583”; and

(ii) in sub-paragraph (b) for “£42,385” substitute “£43,000”;

(c) in paragraph (3B)—

(i) in sub-paragraph (a) for “£3,532” substitute “£3,583”; and

(ii) in sub-paragraph (b) for “£42,385” substitute “£43,000”;

(d) after sub-paragraph (3B) insert—

“(3C) Subject to paragraphs (4) and (5), the prescribed equivalents of the upper secondary threshold for secondary Class 1 contributions in relation to relevant apprentices shall be—

(a) where the earnings period is a month, £3,583;

(b) where the earnings period is a year, £43,000;

(c) where the earnings period is a multiple of a week, the amount calculated by dividing the figure in sub-paragraph (b) by 52 and multiplying the result by the corresponding multiple;

(d) where the earnings period is a multiple of a month, the amount calculated by dividing the figure in sub-paragraph (b) by 12 and multiplying the result by the corresponding multiple;

(e) in any other case, the amount calculated by dividing the figure in sub-paragraph (b) by 365 and multiplying the result by the number of days in the earnings period concerned.”;

(e) in paragraph (4), for “ and paragraph (3B)(c) and (d)” substitute “, paragraph (3B)(c) and (d) and paragraph (3C)(c) and (d)”;

(f) in paragraph (5), for “ and paragraph (3B)(e)” substitute “, paragraph (3B)(e) and paragraph (3C)(e)”.

(4) Section 9B(2) of the Contributions Act and section 9B(2) of the Northern Ireland Contributions Act define “relevant apprentice”.