



# Social Security Contributions and Benefits (Northern Ireland) Act 1992

## 1992 CHAPTER 7

### PART I

#### CONTRIBUTIONS

##### *Class 1 contributions*

#### **5 Earnings limits for Class 1 contributions.**

- (1) For the purposes of this Act there shall for every tax year be—
- (a) a lower earnings limit for Class 1 contributions, being the level of weekly earnings at which employed earners become liable for such contributions in respect of the earnings from their employments; and
  - (b) an upper earnings limit for Class 1 contributions, being the maximum amount of weekly earnings in respect of which primary Class 1 contributions are payable;
- and those limits shall be the amounts specified for that year by regulations made in accordance with subsections (2) and (3) below.
- (2) The amount specified as the lower earnings limit for any tax year shall be an amount equal to or not more than 99p less than—
- (a) the sum which at the beginning of that year is specified in section 44(4) below as the weekly rate of the basic pension in a Category A retirement pension; or
  - (b) that sum as increased by any Act, Measure or order passed, enacted or made before the beginning of that year and taking effect before 6th May in that year.
- (3) The amount specified as the upper earnings limit for any tax year shall be an amount which either—
- (a) is equal to 7 times the sum by reference to which the lower earnings limit for that year is specified in accordance with subsection (2) above; or

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- (b) exceeds or falls short of 7 times that sum by an amount not exceeding half that sum.

**Modifications etc. (not altering text)**

C1 S. 5 applied (7.2.1994) by 1993 c. 49, s. 176(1); S.R. 1994/17, art. 2

**6 Liability for Class 1 contributions.**

- (1) Where in any tax week earnings are paid to or for the benefit of an earner in respect of any one employment of his which is employed earner's employment and—
- (a) he is over the age of 16; and
  - (b) the amount paid is equal to or exceeds the current lower earnings limit for Class 1 contributions (or the prescribed equivalent in the case of earners paid otherwise than weekly),
- a primary and a secondary Class 1 contribution shall be payable in accordance with this section and sections 8 and 9 below.
- (2) Except as may be prescribed, no primary Class 1 contribution shall be payable in respect of earnings paid to or for the benefit of an employed earner after he attains pensionable age, but without prejudice to any liability to pay secondary Class 1 contributions in respect of any such earnings.
- (3) The primary and secondary Class 1 contributions referred to in subsection (1) above are payable as follows—
- (a) the primary contribution shall be the liability of the earner; and
  - (b) the secondary contribution shall be the liability of the secondary contributor;
- but nothing in this subsection shall prejudice the provisions of paragraph 3 of Schedule 1 to this Act relating to the manner in which the earner's liability falls to be discharged.
- (4) Except as provided by this Act, the primary and secondary Class 1 contributions in respect of earnings paid to or for the benefit of an earner in respect of any one employment of his shall be payable without regard to any other such payment of earnings in respect of any other employment of his.
- (5) Regulations may provide for reducing primary or secondary Class 1 contributions which are payable in respect of persons to whom section 11 of the <sup>M1</sup>Contracts of Employment and Redundancy Payments Act (Northern Ireland) 1965 (redundancy payments) does not apply by virtue of section 26(1) or (5) of that Act.
- (6) The power conferred by subsection (1) above to prescribe an equivalent of the lower earnings limit includes power to prescribe an amount which exceeds, by not more than £1.00, the amount which is the arithmetical equivalent of that limit.

**Marginal Citations**

M1 1965 c.19 (N.I.).

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VALID FROM 22/12/1999

**[<sup>F1</sup>6A Notional payment of primary Class 1 contribution where earnings not less than lower earnings limit.**

- (1) This section applies where in any tax week earnings are paid to or for the benefit of an earner over the age of 16 in respect of any one employment of his which is employed earner's employment and the amount paid—
  - (a) is not less than the current lower earnings limit (or the prescribed equivalent), but
  - (b) does not exceed the current primary threshold (or the prescribed equivalent).
- (2) Subject to any prescribed exceptions or modifications—
  - (a) the earner shall be treated as having actually paid a primary Class 1 contribution in respect of that week, and
  - (b) those earnings shall be treated as earnings upon which such a contribution has been paid,for any of the purposes mentioned in subsection (3) below.
- (3) The purposes are—
  - (a) the purposes of section 14(1)(a) below;
  - (b) the purposes of the provisions mentioned in section 21(5A)(a) to (c) below;
  - (c) any other purposes relating to contributory benefits; and
  - (d) any purposes relating to jobseeker's allowance.
- (4) Regulations may provide for any provision of this Act which, in whatever terms, refers—
  - (a) to primary Class 1 contributions being payable by a person, or
  - (b) otherwise to a person's liability to pay such contributions,to have effect for the purposes of this section with any prescribed modifications.
- (5) Except as may be prescribed, nothing in this section applies in relation to earnings paid to or for the benefit of an employed earner after he attains pensionable age.
- (6) Except as provided by this Act, this section applies in relation to earnings paid to or for the benefit of an earner in respect of any one employment of his irrespective of any other such payment of earnings in respect of any other employment of his.
- (7) Regulations under this section shall be made by the Treasury.]

**Textual Amendments**

**F1** S. 6A inserted (22.12.1999 for specified purposes and 6.4.2000 otherwise) by 1999 c. 30, s. 74, **Sch. 10 para. 3**; S.I. 1999/3420, **art. 2**

**Modifications etc. (not altering text)**

**C2** S. 6A(2) modified (6.4.2000) by S.I. 2000/748, **regs. 3-6**

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## 7 “Secondary contributor”.

(1) For the purposes of this Act, the “secondary contributor” in relation to any payment of earnings to or for the benefit of an employed earner, is—

- (a) in the case of an earner employed under a contract of service, his employer;
- (b) in the case of an earner employed in an office with emoluments, either—
  - (i) such person as may be prescribed in relation to that office; or
  - (ii) if no person is prescribed, the government department, public authority or body of persons responsible for paying the emoluments of the office;

but this subsection is subject to subsection (2) below.

(2) In relation to employed earners who—

- (a) are paid earnings in a tax week by more than one person in respect of different employments; or
- (b) work under the general control or management of a person other than their immediate employer,

and in relation to any other case for which it appears to the Department that such provision is needed, regulations may provide that the prescribed person is to be treated as the secondary contributor in respect of earnings paid to or for the benefit of an earner.

## 8 Calculation of primary Class 1 contributions.

(1) Where a primary Class 1 contribution is payable, the amount of that contribution shall be the aggregate of—

- (a) the initial primary percentage of so much of the earner’s earnings paid in the tax week, in respect of the employment in question, as does not exceed the current lower earnings limit; and
- (b) the main primary percentage of so much of those earnings as exceeds that limit but does not exceed the current upper earnings limit;

but this subsection is subject to regulations under section 6(5) above and sections 116 to 119 below and to Article 29 of the Pensions Order (contracted-out rates).

(2) For the purposes of this Act the primary percentages shall be as follows—

- (a) the initial primary percentage shall be 2 per cent.; and
- (b) the main primary percentage shall be 9 per cent.;

but the rates of those primary percentages are subject to alteration under section 129 of the Administration Act.

(3) In the case of earners paid otherwise than weekly, any reference in subsection (1) above to the current upper, or (as the case may be) lower, earnings limit shall be taken as a reference to the prescribed equivalent of that limit.

(4) The power conferred by subsection (3) above to prescribe an equivalent of a limit includes power to prescribe an amount which exceeds, by not more than £1.00, the amount which is the arithmetical equivalent of that limit.

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## 9 Calculation of secondary Class 1 contributions.

- (1) Where a secondary Class 1 contribution is payable, the amount of that contribution shall be the appropriate secondary percentage of the earnings paid in the week in respect of the employment in question.
- (2) For the purposes of subsection (1) above, the “appropriate secondary percentage”, in relation to the earner’s earnings, is the percentage specified in subsection (3) below as appropriate to the secondary earnings bracket (or the prescribed equivalent in the case of earners paid otherwise than weekly) into which those earnings fall.
- (3) The secondary earnings brackets and the percentages appropriate to them shall be as set out below—

	<b>Weekly earnings</b>	<b>Appropriate percentage</b>
Bracket 1	Current lower earnings limit to [ <sup>F2</sup> £94.99]	4.6 per cent.
Bracket 2	[ <sup>F3</sup> £95.00] to [ <sup>F3</sup> £139.99]	6.6 per cent.
Bracket 3	[ <sup>F4</sup> £140.00] to [ <sup>F4</sup> £194.99]	8.6 per cent.
Bracket 4	[ <sup>F5</sup> £195.00] or more	10.4 per cent.

- (4) Subsections (1) and (3) above are subject as mentioned below, that is to say—
  - (a) subsection (1) is subject to Article 29 of the Pensions Order and to regulations under section 6(5) above and sections 116 to 119 below;
  - (b) subsection (3) is subject to any order under section 129 of the Administration Act.
- (5) The power conferred by subsection (2) above to prescribe an equivalent of a bracket includes power to prescribe an amount which exceeds, by not more than £1.00, the amount which is the arithmetical equivalent of that bracket.

### Textual Amendments

- F2** Figure in s. 9(3) substituted (6.4.1993) by S.R. 1993/60, art. 2(a)  
**F3** Figures in s. 9(3) substituted (6.4.1993) by S.R. 1993/60, art. 2(b)  
**F4** Figures in s. 9(3) substituted (6.4.1993) by S.R. 1993/60, art. 2(c)  
**F5** Figure in s. 9(3) substituted (6.4.1993) by S.R. 1993/60, art. 2(d)

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