

## STATUTORY INSTRUMENTS

1978 No. 1840

## SOCIAL SECURITY

## The Social Security (Contributions, Re-rating) Order 1978

*Laid before Parliament in draft**Made - - - - 14th December 1978**Coming into Operation 6th April 1979*

Whereas, consequent upon a review under section 120 of the Social Security Act 1975(a), 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 in so far as relates to matters with regard to which the Treasury has so directed(b) and in exercise of powers conferred upon him by section 120 of that 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 1978 and shall come into operation on 6th April 1979.

(2) In this order, unless the context otherwise requires, “the Act” means the Social Security Act 1975 as amended by the Social Security (Contributions, Re-rating) Orders 1975 and 1977 and the Social Security (Contributions, Re-rating) (No. 2) Order 1977(c), and other expressions have the same meanings as in the Act.

(3) The rules for the construction of Acts of Parliament contained in the Interpretation Act 1889(d) shall apply for the purposes of interpretation of this order as they apply for the purposes of the interpretation of an Act of Parliament.

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

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

- (a) in subsection (1) for “£1·90” there shall be substituted “£2·10”;  
(b) in subsection (5) for “£950” there shall be substituted “£1,050”.

(a) 1975 c. 14.

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

(c) The relevant amending instruments are S.I. 1975/1829, 1977/113, 2180.

(d) 1889 c. 63.

*Rate of Class 3 contributions*

3. In section 8(1) of the Act (Class 3 contributions) for “£1·80” there shall be substituted “£2”.

*Lower and upper limits for Class 4 contributions*

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

(a) for “£2,000” wherever that figure appears there shall be substituted in each of those sections “£2,250”;

(b) for “£6,250” there shall be substituted in each of those sections “£7,000”.

*David Ennals,*

Secretary of State for Social Services.

11th December 1978.

*T. M. Cox,*

*J. Dormand,*

Two of the Lords Commissioners of  
Her Majesty's Treasury.

14th December 1978.

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EXPLANATORY NOTE

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

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

In accordance with section 121(1) of the Social Security Act 1975 a copy of a report by the Government Actuary (Cmnd. 7403), giving his opinion on the likely effect on the National Insurance Fund of the making of this Order, was laid before Parliament with a draft of it.



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