

---

STATUTORY INSTRUMENTS

---

**1987 No. 46**

**SOCIAL SECURITY**

**The Social Security (Contributions, Re-rating) Order 1987**

*Made* - - - - 20th January 1987

*Coming into force* - - - 6th April 1987

Whereas the Secretary of State for Social Services, as a result of carrying out in the tax year 1986—87 a review of the general level of earnings pursuant to subsections (2) and (3) of section 120 of the Social Security Act 1975(1), has determined that an Order should be made under that section amending Part I of the said Act by altering the rates of Class 2 and Class 3 contributions, the amount of earnings below which an earner may be excepted from liability for Class 2 contributions and the lower and upper limits of profits or gains to be taken into account for Class 4 contributions:

And whereas the Secretary of State, for the purposes of adjusting amounts payable by way of Class 1 contributions, has determined that an Order should be made under section 123A(1) and (2) of that Act(2) amending section 4(6B) and (6E) of that Act(3) by altering the weekly earnings figures therein specified:

And whereas a draft of the following Order was laid before Parliament in accordance with the provisions of sections 120(4), 121(2) and 123A(6) of that Act and approved by resolution of each House of Parliament:

Now, therefore, the Secretary of State for Social Services, in conjunction with the Treasury so far as relates to matters with regard to which the Treasury has so directed(4), in exercise of powers conferred upon him by sections 120(5) and (6), 121(2) and 123A(1) and (2) of the said 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 1987 and shall come into force on 6th April 1987.

(2) In this Order “the Act” means the Social Security Act 1975.

---

(1) 1975 c. 14.

(2) Section 123A was inserted by section 7(5) of the Social Security Act 1985 (c. 53), and amended by section 74(1) and (2) of the Social Security Act 1986 (c. 50).

(3) Section 4(6B) and (6E) was inserted by section 7(2) of the Social Security Act 1985; the relevant amending instrument is S.I.1986/25.

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

### **Weekly earnings figures for primary and secondary earnings brackets**

2.—(1) Section 4 of the Act (incidence of Class 1 contributions) shall be amended in accordance with the provisions of this article.

(2) In subsection (6B) (primary earnings brackets)—

- (a) for the figure £59.99 specified in respect of Bracket 1 there shall be substituted the figure £64.99;
- (b) for the figures £60.00 and £94.99 specified in respect of Bracket 2 there shall be substituted respectively the figures £65.00 and £99.99;
- (c) for the figure £95.00 specified in respect of Bracket 3 there shall be substituted the figure £100.00.

(3) In subsection (6E) (secondary earnings brackets)—

- (a) for the figure £59.99 specified in respect of Bracket 1 there shall be substituted the figure £64.99;
- (b) for the figures £60.00 and £94.99 specified in respect of Bracket 2 there shall be substituted respectively the figures £65.00 and £99.99;
- (c) for the figures £95.00 and £139.99 specified in respect of Bracket 3 there shall be substituted respectively the figures £100.00 and £149.99;
- (d) for the figure £140.00 specified in respect of Bracket 4 there shall be substituted the figure £150.00.

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

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

- (a) in subsection (1) (weekly rate) for “£3.75”(5) there shall be substituted “£3.85”;
- (b) in subsection (5) (small earnings exception) for “£2,075”(6) there shall be substituted “£2,125”.

### **Amount of Class 3 contributions**

4. In section 8(1) of the Act (amount of Class 3 contributions) for “£3.65”(7) there shall be substituted “£3.75”.

### **Lower and upper limits for Class 4 contributions**

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

- (a) for “£4,450” (lower limit)(8) wherever that amount appears there shall be substituted in each of those sections “£4,590”;
- (b) for “£14,820” (upper limit)(9) there shall be substituted in each of those sections “£15,340”.

---

(5) See S.I. 1986/25, article 3(a).

(6) See S.I. 1986/25, article 3(b).

(7) See S.I. 1986/25, article 4.

(8) See S.I. 1986/25, article 5(a).

(9) See S.I. 1986/25, article 5(b).

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

19th January 1987

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

20th January 1987

*Michael Neubert*  
*Mark Lennox-Boyd*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

---

## EXPLANATORY NOTE

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

This Order increases the amounts of weekly earnings specified in the earnings brackets in section 4(6B) and (6E) of the Social Security Act 1975, determining the appropriate percentage rate at which Class 1 contributions are payable under that Act (article 2). It increases the rates of Class 2 and Class 3 contributions payable under that Act (articles 3(a) and 4). It increases the amount of earnings below which an earner may be excepted from liability for Class 2 contributions (article 3(b)), and the lower and upper limits of profits or gains between which Class 4 contributions are payable (article 5).

In accordance with sections 121(1) and 123A(6A) of the Social Security Act 1975, a copy of the report by the Government Actuary (Cmnd. 24), giving his opinion on the likely effect on the National Insurance Fund of the making of the Order was laid before Parliament with a draft of it.