

1989 No. 345

SOCIAL SECURITY

**The Social Security (Contributions) Amendment
Regulations 1989**

<i>Made</i> - - - -	<i>1st March 1989</i>
<i>Laid before Parliament</i>	<i>13th March 1989</i>
<i>Coming into force</i>	<i>6th April 1989</i>

The Secretary of State for Social Security, in exercise of powers conferred by section 1 of the Social Security Pensions Act 1975(a) and, in conjunction with the Treasury in so far as relates to matters with regard to which the Treasury has so directed(b), in exercise of powers conferred by sections 128(2)(a), 131, 134(6) and 166(2) of, and Schedule 20 to, the Social Security Act 1975(c) and section 123(2)(a) of the Social Security (Northern Ireland) Act 1975(d) and of all other powers enabling him in that behalf, and after agreement by the Social Security Advisory Committee that proposals to make regulation 2(3), (4) and (5) of these Regulations should not be referred to it(e), hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Contributions) Amendment Regulations 1989 and shall come into force on 6th April 1989.

(2) In these Regulations, “the principal Regulations” means the Social Security (Contributions) Regulations 1979(f).

Amendment to Regulations

2.—(1) The principal Regulations shall be further amended in accordance with the following provisions of this regulation.

(2) In Regulation 7 (lower and upper earnings limits for Class 1 contributions) –

(a) for “6th April 1988” there shall be substituted “6th April 1989”, and

(b) for “£41” and “£305” there shall be substituted respectively “£43” and “£325”.

(a) 1975 c.60; section 1(1) was amended by the Social Security Act 1985 (c.53), section 29(1) and Schedule 5, paragraph 15; section 1(2) was amended by the Social Security Act 1986 (c.50), section 74(6). (b) See Social Security Act 1975 (c.14), section 166(5). (c) 1975 c.14; Schedule 20 is cited because of the meanings ascribed to the words “Prescribe” and “Regulations”: see also section 66(2) of the Social Security Pensions Act 1975. (d) 1975 c.15. (e) See Social Security Act 1986 (c.50), section 61(1)(b). (f) S.I. 1979/591; relevant amending provisions are the Social Security (Contributions) Act 1982 (c.2), section 4(3) and Schedule 1, paragraph 3(5); S.I. 1985/1398, 1986/485, 1988/299.

(3) In regulation 115(1) (reduction of rate of Class 1 contributions payable in respect of earnings of serving members of the forces) –

- (a) in sub-paragraph (a), for “0.8” in each place where it appears there shall be substituted “0.65”;
- (b) in sub-paragraph (b), for “0.85” there shall be substituted “0.7”.

(4) In regulation 123D (special provisions as to volunteer development workers) –

- (a) immediately before the words “In relation to” there shall be inserted the figure “(1)”;
- (b) in paragraph (b) (weekly rate of any Class 2 contributions payable) for “£6.55” there shall be substituted the words “the amount equal to that percentage of the current lower earnings limit obtained by adding together the relevant primary percentage rate and the relevant secondary percentage rate”;
- (c) after paragraph (d) there shall be added the following new paragraph –

“(2) In paragraph (1) above –

- (a) “relevant primary percentage rate” means the rate which was, at the beginning of the year in which falls the week in respect of which the contribution is paid, the rate specified in section 4(6B) of the Act (a) as the appropriate percentage rate for Bracket 1,
- (b) “relevant secondary percentage rate” means the rate which was, at the beginning of the year in which falls the week in respect of which the contribution is paid, the rate specified in section 4(6E) of the Act as the appropriate percentage rate for Bracket 1.”.

(5) In regulation 134 (modification of section 134(4) of the Act) –

- (a) for paragraph (a) there shall be substituted the following paragraph –

“(a) in the case of contributions paid at the rate reduced in accordance with regulation 89(1) of these Regulations (modification of section 4(6E) of the Act in relation to mariners) the said subsection (4) shall apply as if, instead of the percentage figure specified in paragraph (b) thereof, there were the percentage figure “0.6”;;”;

- (b) in paragraph (b), for “regulation 89(1)(a)” there shall be substituted “regulation 89(1)”.

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

27th February 1989

Skelmersdale
Parliamentary Under-Secretary of State,
Department of Social Security

1st March 1989

Stephen Dorrell
David Lightbown
Two of the Lords Commissioners
of Her Majesty's Treasury

(a) Section 4(6B) and (6E) was inserted by the Social Security Act 1985, section 7(2).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Social Security (Contributions) Regulations 1979 ("the principal Regulations").

Regulation 2 amends regulation 7 of the principal Regulations by increasing the weekly lower and upper earnings limits for Class 1 contributions for the tax year beginning on 6th April 1989. The lower earnings limit is increased from £41 to £43 and the upper earnings limit from £305 to £325.

Regulation 2 also amends regulations 115, 123D and 134 of the principal Regulations. The amendment to regulation 115 decreases the abatement of the percentage rates of Class 1 contributions payable by and in respect of serving members of the forces. The decrease is from 0.8 per cent. to 0.65 per cent. in the case of primary contributions and from 0.85 per cent. to 0.7 per cent. in the case of secondary contributions.

In regulation 123D, the weekly rate of any Class 2 contributions payable by volunteer development workers is changed from a prescribed figure (£6.55) to the amount equal to that percentage of the current lower earnings limit obtained by adding the primary and secondary percentage rates (specified in section 4(6B) and (6E) of the Social Security Act 1975 ("the Act")) in force at the beginning of the appropriate tax year. For the year beginning on 6th April 1989, the weekly rate of Class 2 contributions for volunteer development workers will therefore be £4.30.

Regulation 134(a) modifies that part of section 134(4) of the Act which sets out the meaning of the phrase "the appropriate national health service allocation". Section 134(4)(b) specifies the percentage of estimated relevant earnings that comprises that part of the allocation attributable to secondary Class 1 contributions. Regulation 134(a) modifies the percentage figure in the case of secondary Class 1 contributions paid at a reduced rate in accordance with regulation 89(1) (which relates to specified employments of foreign-going mariners). These Regulations increase the percentage figure in regulation 134(a) from 0.3 to 0.6, and make minor amendments to regulation 134(a) and (b).

Regulation 2(2) of these Regulations is made under section 1 of the Social Security Pensions Act 1975 and the proposals for it are exempt from reference to the Social Security Advisory Committee by virtue of section 10(2) of, and paragraph 13(1) of Schedule 3 to, the Social Security Act 1980.