
STATUTORY INSTRUMENTS

1995 No. 2558

SOCIAL SECURITY

The Social Security (Credits) Amendment Regulations 1995

Made - - - - *2nd October 1995*
Laid before Parliament *6th October 1995*
Coming into force - - *1st November 1995*

The Secretary of State for Social Security, in exercise of the powers conferred by sections 22(5), 122(1) and 175(1) to (3) of the Social Security Contributions and Benefits Act 1992⁽¹⁾ and of all other powers enabling him in that behalf, after agreement by the Social Security Advisory Committee that proposals to make these Regulations should not be referred to it⁽²⁾, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Social Security (Credits) Amendment Regulations 1995 and shall come into force on 1st November 1995.

Insertion of regulation 7C in the Social Security (Credits) Regulations 1975

2. In the Social Security (Credits) Regulations 1975⁽³⁾, after regulation 7B (credits for disability working allowance) there is inserted the following regulation—

“Credits for family credit

7C.—(1) For the purposes of entitlement to a Category A or a Category B retirement pension, a widowed mother’s allowance or a widow’s pension by virtue of a person’s earnings or contributions, where family credit is paid for any week in respect of—

- (a) an employed earner; or
- (b) a self-employed earner who is excepted from liability to pay Class 2 contributions by virtue of his earnings being less than or being treated by regulations as less than the amount specified in section 11(4) of the Contributions and Benefits

⁽¹⁾ 1992 c. 4. Section 122(1) is cited for the meaning it gives to “prescribe”.

⁽²⁾ See section 173(1)(b) of the Social Security Administration Act 1992 (c. 5).

⁽³⁾ S.I. 1975/556; relevant amending instruments are S.I. 1995/2772 and 1995/829.

Act (exception from liability for Class 2 contributions on account of small earnings)(4),

that person shall, subject to paragraphs (4) and (5), be credited with earnings equal to the lower earnings limit then in force in respect of that week.

(2) The reference in paragraph (1) to the person in respect of whom family credit is paid—

- (a) where it is paid to one of a married or unmarried couple, is a reference to the member of that couple specified in paragraph (3); and
- (b) in any other case, is a reference to the person to whom it is paid.

(3) The member of a married or unmarried couple specified for the purposes of paragraph (2)(a) is—

- (a) where only one member is assessed for the purposes of the award of family credit as having income consisting of earnings, that member;
- (b) where both members are so assessed, the member with the higher earnings; or
- (c) where the earnings of each member are assessed as equal, the member to whom family credit is paid.

(4) Paragraph (1) shall not apply—

- (a) to a person in respect of any week where he is entitled to be credited with earnings under regulation 9 in respect of the same week; or
- (b) to a woman in respect of any week in any part of which she is a married woman in respect of whom an election made by her under regulations made under section 19(4) of the Contributions and Benefits Act has effect.

(5) Paragraph (1) only applies to a person if the date on which he attains or is due to attain pensionable age(5) falls after 5th April 1999 and, in relation to such persons, has effect in respect of any week falling wholly or partly within the 1995-96 and subsequent tax years.

(6) In this regulation “married couple” and “unmarried couple” have the same meaning as in Part VII of the Contributions and Benefits Act.”.

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

2nd October 1995

Oliver Heald
Parliamentary Under-Secretary of State,
Department of Social Security

(4) Section 11(4) was amended by S.I. 1991/561. Also, a definition of “the Contributions and Benefits Act” was inserted into S.I. 1975/556 by S.I. 1995/829.

(5) See section 126 of, and Part I of Schedule 4 to, the Pensions Act 1995 (c. 26), which provide for the progressive equalisation of pension age for men and women from 6th April 2010.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Social Security (Credits) Regulations 1975 by inserting a new regulation 7C. This applies for the purposes of entitlement to a Category A or B retirement pension, widowed mother's allowance or widow's pension and provides for a person to be credited with earnings equal to the lower earnings limit in respect of weeks for which family credit is paid to him. Provision is made, in a case where family credit is paid to one of a married or unmarried couple, as to which member of the couple is to be credited with earnings.

The new regulation 7C applies only in respect of persons due to reach pensionable age after 5th April 1999 and has effect in relation to the 1995-96 and subsequent tax years.

These Regulations do not impose any costs on business.