

2001 No. 313

SOCIAL SECURITY

**The Social Security (Contributions) (Amendment No. 2)
Regulations 2001**

Made - - - - - *6th February 2001*

Laid before Parliament *7th February 2001*

Coming into force - - *6th April 2001*

The Treasury, in exercise of the powers conferred on them by sections 5 and 175(3) and (4) of the Social Security Contributions and Benefits Act 1992(a) and of all other powers enabling them in that behalf, and the Commissioners of Inland Revenue, in exercise of the powers conferred on them by paragraph 6(1) of Schedule 1 to that Act(b) and of all other powers enabling them in that behalf, hereby make the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Contributions) (Amendment No. 2) Regulations 2001 and shall come into force on 6th April 2001.

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

Amendments to the principal Regulations

2. In regulation 7 of the principal Regulations (lower and upper earnings limits and primary and secondary thresholds)(d)—

- (a) for “2000” there shall be substituted “2001”;
- (b) in paragraph (a) for the figure “£67” (lower earnings limit for primary Class 1 contributions) there shall be substituted the figure “£72”;
- (c) in paragraph (b) for the figure “£535” (upper earnings limit for primary Class 1 contributions) there shall be substituted the figure “£575”;
- (d) in paragraph (c) for the figure “£76” (primary threshold for primary Class 1 contributions) there shall be substituted the figure “£87”; and
- (e) in paragraph (d) for the figure “£84” (secondary threshold for secondary Class 1 contributions) there shall be substituted the figure “£87”.

3. In regulation 8(3) of the principal Regulations (prescribed equivalents)(e)—

- (a) in sub-paragraph (a) for the words from “£329” to the end there shall be substituted the figure “£378”;

(a) 1992 c. 4; section 5 was substituted by paragraph 1 of Part I of Schedule 9 to the Welfare Reform and Pensions Act 1999 (c. 30). Section 175(4) was amended by paragraph 29(4) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2).

(b) Paragraph 6(1) was amended by paragraph 77(8) of Schedule 7 to the Social Security Act 1998 (c. 14) and paragraph 35(2) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999.

(c) S.I. 1979/591; the relevant amending Regulations are S.I. 1999/568 and 2000/175, 747 and 2207.

(d) Regulation 7 was substituted by regulation 2 of S.I. 2000/175.

(e) Regulation 8 was substituted by regulation 3 of S.I. 2000/175.

- (b) in sub-paragraph (b) for the words from “£3,952” to the end there shall be substituted the figure “£4,535”; and
- (c) in each of sub-paragraphs (c) to (e)—
 - (i) for the word “amounts” there shall be substituted the word “amount”; and
 - (ii) the word “relevant” shall be omitted.

4.—(1) Schedule 1 to the principal Regulations (application of the Income Tax (Employments) Regulations 1973(a) to earnings-related contributions, Class 1A contributions and Class 1B contributions) shall be amended in accordance with the following provisions.

(2) In Regulation 13(6)(b)(b).

- (a) in head (ii) there shall be added at the end the words “and the current secondary threshold”;
- (b) head (iii) shall be omitted; and
- (c) in head (iiia) after the word “exceed” where it first appears there shall be inserted the words “the current primary threshold and”.

(3) In Regulation 13(6)(c) for the words from “any reduction” to the end there shall be substituted—

“—

- (i) any reduction calculated in accordance with section 41(1) and (1A) or 42A(1) and (2) of the Pension Schemes Act 1993(c) on the amount of a primary Class 1 contribution in respect of earnings recorded under sub-paragraph (b)(ii) which is available for set-off against (and does not exceed) the amount recorded under sub-paragraph (b)(v), and
- (ii) any reduction calculated in accordance with section 41(1) and (1B) or 42A(1) and (2A) of that Act on the amount of a secondary Class 1 contribution in respect of earnings recorded under sub-paragraph (b)(ii), aggregated with any balance of the reduction in respect of earnings referred to in head (i) which exceeds the amount which may be set-off as therein mentioned.”

(4) In Regulation 25(a)(d)—

- (a) head (ib) shall be omitted;
- (b) in head (ic) for the word “secondary” there shall be substituted the word “primary”;
- (c) heads (ii) and (v) shall be omitted; and
- (d) in the words following head (vi) “, (v)” shall be omitted.

(5) In Regulation 30(1)(c)(e) for head (ii) there shall be substituted the following heads—

- “(ii) Regulation 13(6)(c)(i), and
- (iii) Regulation 13(6)(c)(i) and (ii) aggregated together, and”.

Clive Betts

Greg Pope

6th February 2001

Two of the Lords Commissioners of Her Majesty’s Treasury

Tim Flesher

Dave Hartnett

6th February 2001

Two of the Commissioners of Inland Revenue

(a) S.I. 1973/334; this and its subsequent amending instruments were consolidated as S.I. 1993/744.
 (b) Regulation 13(6) was substituted by regulation 19 of S.I. 1999/568 and amended by regulation 9(2) of S.I. 2000/747 and regulation 23 of S.I. 2000/2207.
 (c) 1993 c. 48; section 41 was substituted by paragraph 127 of Schedule 7 to the Social Security Act 1998 (c. 14) and amended by paragraph 6 of Schedule 9 to the Welfare Reform and Pensions Act 1999 (c. 30). Section 42A was inserted by section 137(5) of the Pensions Act 1995 (c. 26) and relevantly amended by paragraph 128 of Schedule 7 to the Social Security Act 1998 and paragraph 7 of Schedule 9 to the Welfare Reform and Pensions Act 1999.
 (d) Regulation 25(a)(ia), (ib) and (ic) were substituted by regulation 9 of S.I. 2000/747.
 (e) Regulation 30(1)(c) was substituted by regulation 19 of S.I. 1999/568 and amended by regulation 9(4) of S.I. 2000/747.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Social Security (Contributions) Regulations 1979 (S.I. 1979/591) (“the principal Regulations”).

Regulation 1 provides for citation, commencement and interpretation.

Regulation 2 amends regulation 7 of the principal Regulations to specify the lower earnings limit, upper earnings limit, primary threshold and secondary threshold for the tax year beginning on 6th April 2001.

Regulation 3 amends regulation 8(3) of the principal Regulations to provide for the equivalents of the primary threshold and secondary threshold where an employed earner’s earnings period is other than a week.

Regulation 4 makes consequential and incidental amendments to provisions in Schedule 1 to the principal Regulations.

These Regulations do not impose any costs on business.

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