

2003 No. 608

SOCIAL SECURITY

**The Social Security (Earnings Factor) Amendment Regulations
2003**

<i>Made</i> - - - -	<i>7th March 2003</i>
<i>Laid before Parliament</i>	<i>14th March 2003</i>
<i>Coming into force</i> - -	<i>6th April 2003</i>

The Secretary of State for Work and Pensions, in exercise of the powers conferred upon him by sections 23(1)(b) and (3) and 175(3) and (4) of the Social Security Contributions and Benefits Act 1992(a) and sections 14(6), 181(1) and 182(2) and (3) of the Pension Schemes Act 1993(b) and of all other powers enabling him in that behalf, after agreement by the Social Security Advisory Committee that proposals in respect of these Regulations should not be referred to it(c) and after consulting such persons as he considers appropriate(d), hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Earnings Factor) Amendment Regulations 2003 and shall come into force on 6th April 2003.

(2) In these Regulations, “the Earnings Factor Regulations” means the Social Security (Earnings Factor) Regulations 1979(e).

Amendment of the Earnings Factor Regulations

2. In paragraph 1(1) of Schedule 1 to the Earnings Factor Regulations (rules for the ascertainment of earnings factors)—

(a) for the definitions of “Class 1 contributions” and “contracted-out contributions”, there shall be substituted the following definitions—

““Class 1 contributions” means primary Class 1 contributions paid or treated as paid on so much of a person’s earnings as do not exceed the current upper earnings limit or the prescribed equivalent if he is paid otherwise than weekly;

“contracted-out contributions” means primary Class 1 contributions paid or treated as paid on so much of a person’s earnings in respect of any contracted-out

(a) 1992 c.4. Section 23(1) was amended by the Pensions Act 1995 (c.26), section 134(1). Section 23(3) was amended by the National Insurance Contributions Act 2002 (c.19), Schedule 1, paragraph 8. Section 175(4) was amended by the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c.2), Schedule 3, paragraph 29(4).

(b) 1993 c.48. Section 181(1) is cited because of the meaning ascribed to the words “prescribe” and “regulations”.

(c) See sections 170 and 173(1)(b) of the Social Security Administration Act 1992 (c.5).

(d) See section 185(1) of the Pension Schemes Act 1993 as amended by the Pensions Act 1995, Schedule 3, paragraph 46 and Schedule 5, paragraph 80(a).

(e) S.I.1979/676; the relevant amending instrument is S.I.1991/1165.

employment as exceed the current lower earnings limit but do not exceed the current upper earnings limit or the prescribed equivalents if he is paid otherwise than weekly;”;

- (b) in the definition of “the standard level”, after the words “lower earnings limit for” there shall be inserted the word “primary”.

Saving

3. For the purpose of ascertaining a person’s earnings factors in respect of the year commencing on 6th April 2002 and any preceding year, the Earnings Factor Regulations shall have effect as if regulation 2 above had not been made.

Signed by authority of the Secretary of State for Work and Pensions.

7th March 2003

Ian McCartney
Minister of State,
Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Social Security (Earnings Factor) Regulations 1979 (S.I.1979/676).

In particular, regulation 2 substitutes two of the definitions in Schedule 1 to those Regulations. It substitutes the definition of “Class 1 contributions” to ensure that earnings factors are only derived from earnings up to the upper earnings limit and also the definition of “contracted-out contributions” so as to correspond with the new definition of “Class 1 contributions”. It also amends the definition of “the standard level” in that Schedule consequential upon the new definition of “Class 1 contributions”.

Regulation 3 disapplies the amendments in regulation 2 for the purpose of ascertaining a person’s earnings factors in respect of the 2002-3 tax year and any preceding tax year.

These Regulations do not impose any costs on business.

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