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STATUTORY INSTRUMENTS

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**2016 No. 352**

**The Social Security (Contributions)  
(Amendment) (No. 2) Regulations 2016**

**PART 2**

**Abolition of contracting-out: consequential amendments**

- 8.** In regulation 1(2) (interpretation), omit the following definitions—
- (a) “contracted-out employment”;
  - (b) “contracted-out rate”;
  - (c) “COSRS employment”;
  - (d) “non-contracted-out employment”;
  - (e) “non-contracted out rate”;
  - (f) “normal rate”; and
  - (g) “the Pensions Act”(1).
- 9.** In regulation 6 (earnings period for earnings to be aggregated etc), for paragraph (3) substitute—
- “(3) In this regulation “the designated earnings period” means the shorter, or as the case may be the shortest, of the earnings periods in respect of earnings derived from such employments.”.
- 10.** In regulation 11 (prescribed equivalents)—
- (a) in paragraph (1)—
    - (i) in sub-paragraph (a), at the end insert “and”;
    - (ii) omit sub-paragraph (b) and the “and” which precedes it;
  - (b) omit paragraph (1A);
  - (c) in paragraph (2)—
    - (i) omit “and the upper accrual point”;
    - (ii) in sub-paragraph (a), omit “or the upper accrual point (“the weekly limits”)”; and
    - (iii) in sub-paragraphs (a) to (d)—
      - (aa) for “amounts” in each place where it occurs substitute “amount”;
      - (bb) for “each of the weekly limits” in each place where it occurs substitute “the lower earnings limit”;
      - (cc) for “each result” in each place where it occurs substitute “the result”; and
  - (d) omit paragraph (6).

- 11.** In regulation 12 (calculation of earnings-related contributions), for paragraph (1) substitute—
- “(1) Subject to paragraphs (3) and (4), primary and secondary Class 1 contributions under section 6 of the Act (liability for Class 1 contributions) shall be calculated to the nearest penny and any amount of a halfpenny or less shall be disregarded.”.
- 12.** In regulation 21 (annual maxima for those with more than one employment), for paragraph (3) substitute—
- “(3) For the purpose only of determining the extent of the earner’s liability for contributions under paragraph (2), the amount of a primary Class 1 contribution which is paid at a rate less than 12 per cent because the earner is a married woman who has made an election to pay contributions at the reduced rate as mentioned in regulation 127, shall be treated as equal to the amount of the primary Class 1 contribution which would be payable if the election had not been made.”.
- 13.** In regulation 52A (return of contributions paid in excess of maxima prescribed in regulation 21)—
- (a) in paragraph (3), for “payment of contributions” substitute “contributions actually paid by the earner”;
  - (b) in paragraph (5)(c), for “;” substitute “.”;
  - (c) omit paragraphs (5)(d) and (e); and
  - (d) omit paragraphs (6) to (8).
- 14.** Omit regulation 54 (return of Class 1 contributions paid at the non-contracted out rate instead of at the contracted-out rate).
- 15.** In regulation 100 (annual maximum of Class 4 contributions due under section 15 of the Act), for paragraph (4) substitute—
- “(4) For the purpose only of determining the extent of the earner’s liability for contributions under paragraph (3), the amount of a primary Class 1 contribution which would otherwise be payable at the main primary percentage but which is paid at a rate less than 12 per cent because the earner is a married woman who has made an election to pay contributions at the reduced rate as mentioned in regulation 127, shall be treated as equal to the amount of the primary Class 1 contribution payable at the main primary percentage, which would be so payable if the election had not been made.”.
- 16.** In regulation 120 (earnings periods for mariners and apportionment of earnings), omit paragraph (2)(b)(ii).
- 17.** In regulation 155A (decisions taken by officers of the Inland Revenue etc), omit paragraph (2)(f).
- 18.** In Schedule 4 (provisions derived from the Income Tax Acts etc)—
- (a) in paragraph 7 (calculation of deduction)—
    - (i) omit sub-paragraph (4)(c) and the “or” which follows it; and
    - (ii) in sub-paragraph (13)(b)—
      - (aa) in sub-paragraph (iii), for “upper accrual point” substitute “current upper earnings limit”;
      - (bb) omit sub-paragraph (iiia); and
      - (cc) omit the words from “The amounts to be recorded under sub-paragraphs (iv) and (v)” to the end;
  - (b) in paragraph 9(1) (certificate of contributions paid)—

- (i) in sub-paragraph (b), omit the words from “, other than earnings from non-contracted-out employment” to the end;
  - (ii) in sub-paragraph (c)—
    - (aa) for “upper accrual point” substitute “current upper earnings limit”; and
    - (bb) omit the words from “, other than earnings from non-contracted out employment” to the end; and
  - (iii) omit sub-paragraph (ca);
  - (c) in paragraph 12 (payment of earnings-related contributions by employer (further provisions)), omit sub-paragraph (3)(b);
  - (d) in paragraph 22 (return by employer at end of year)—
    - (i) in sub-paragraph (1)(c)(i), for “to (iiia)” substitute “to (ii)”;
    - (ii) omit sub-paragraph (2)(c); and
    - (iii) in sub-paragraph (2B)—
      - (aa) in sub-paragraph (e), for “;” substitute “.”; and
      - (bb) omit sub-paragraph (f); and
  - (e) in paragraph 24(2) (special return by employer at end of voyage period)—
    - (i) in sub-paragraph (e), at the end insert “and”;
    - (ii) for sub-paragraph (f) substitute—
      - “(f) the total amount of any earnings in respect of which primary Class 1 contributions were payable.”;
    - (iii) omit sub-paragraph (g).
- 19.** In Schedule 4A (real time returns)—
- (i) in paragraph 7, for “to (iiia)” substitute “to (ii)”;
  - (ii) omit paragraph 12.