STATUTORY INSTRUMENTS

2016 No. 343

SOCIAL SECURITY

The Social Security (Contributions) (Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2016

Made - - - -	*10th March 2016*
Coming into force - -	*6th April 2016*

These Regulations are made by the Treasury in exercise of the powers conferred by sections 5(1) and (4) to (6), 9A(7) and (8), 9B(4) and (5) and 175(3) of the Social Security Contributions and Benefits Act 1992(**1**) ("the Contributions Act"), sections 5(1) and (4) to (6), 9A(7) and (8), 9B(4) and (5) and 171(3) and (10) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**2**) ("the Northern Ireland Contributions Act"), sections 141(4) and (5) and 142(2) and (3) of the Social Security Administration Act 1992(**3**) ("the Administration Act"), section 129 of the Social Security Administration (Northern Ireland) Act 1992(**4**) ("the Northern Ireland Administration Act"), section 2(2) and (3) of the Social Security Act 1993(**5**) ("the 1993 Act") and article 4(3) and (4) of the Social Security (Northern Ireland) Order 1993(**6**) ("the 1993 Order").

Regulation 2 of these Regulations is made as a result of the Treasury carrying out in the tax year 2015-16 a review of the general level of earnings in Great Britain in accordance with section 141(1) and (2) of the Administration Act(**7**).

The Treasury have determined that, in relation to Great Britain, regulation 2 should be made under section 141 of the Administration Act, to amend Part 1 of the Contributions Act by altering the upper limit of profits to be taken into account for Class 4 contributions.

(**1**) 1992 c. 4; section 5 was substituted by paragraph 1 of Schedule 9 to the Welfare Reform and Pensions Act 1999 (c. 30) ("the WRPA 1999") and section 5(1) was amended by section 1(1)(a) of, and Schedule 2 to, the National Insurance Contributions Act 2008 (c. 16) ("the NICA 2008"). Section 9A was inserted by section 9(3) of the National Insurance Contributions Act 2014 (c. 7) ("the NICA 2014") and amended by section 1(3) of the National Insurance Contributions Act 2015 (c. 5) ("the NICA 2015"). Section 9B was inserted by section 1(4) of the NICA 2015.

(**2**) 1992 c. 7; section 5 was substituted by paragraph 1 of Schedule 10 to the WRPA 1999 and section 5(1) was amended by section 2(1)(a) of, and Schedule 2 to, the NICA 2008. Section 9A was inserted by section 9(8) of the NICA 2014 and amended by section 1(8) of the NICA 2015. Section 9B was inserted by section 1(9) of the NICA 2015. Section 171(10) was substituted by paragraph 28(3) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671) ("the Transfer Order").

(**3**) 1992 c. 5; section 141(4) and (5) was amended by paragraph 16 of Schedule 1 to the National Insurance Contributions Act 2002 (c. 19) ("the NICA 2002") and, in relation to section 141(4) only, paragraph 20 of Schedule 1 to the NICA 2015. Section 142(2) was amended by paragraph 45(3) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2) ("the Transfer Act").

(**4**) 1992 c. 8; section 129 was relevantly amended by paragraph 43 of Schedule 3 to the Transfer Order.

(**5**) 1993 c. 3; section 2(2) was amended by paragraph 60(2) of Schedule 3 to the Transfer Act.

(**6**) S.I. 1993/592 (N.I. 2); article 4 was relevantly amended by paragraph 52 of Schedule 3 to the Transfer Order.

(**7**) Section 141(1) and (2) was amended by paragraphs 44(2) and (3) of Schedule 3 to the Transfer Act.

Regulation 2 of these Regulations makes provision for Northern Ireland, which corresponds to that mentioned in relation to Great Britain in the preceding recital, in accordance with section 129 of the Northern Ireland Administration Act.

With a view to adjusting the level at which the National Insurance Fund stands for the time being, and having regard to estimated benefit expenditure for the financial year ending with 31st March 2017, the Treasury think it expedient that regulation 6 of these Regulations should be made under section 2(2) of the 1993 Act.

With a view to adjusting the level at which the Northern Ireland National Insurance Fund stands for the time being, and having regard to estimated benefit expenditure for the financial year ending with 31st March 2017, the Treasury think it expedient that regulation 7 of these Regulations should be made under article 4(3) of the 1993 Order.

A draft of these Regulations was laid before Parliament in accordance with the provisions of section 176(1)(zb) and (a) of the Contributions Act(**8**), section 172(11ZB) and (11A) of the Northern Ireland Contributions Act(**9**), sections 141(3) and 190(1)(a) of the Administration Act(**10**), section 166(10A) of the Northern Ireland Administration Act(**11**), section 2(8) of the 1993 Act and article 4(8) of the 1993 Order(**12**) and approved by a resolution of each House of Parliament.

PART 1

General

Citation and commencement

1. These Regulations may be cited as the Social Security (Contributions) (Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2016 and come into force on 6th April 2016.

PART 2

Limits and thresholds for National Insurance contributions

Amendment of upper profits limit for Class 4 National Insurance contributions

2. In sections 15(3) and 18(1A) of the Social Security Contributions and Benefits Act 1992(**13**) and the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**14**) (Class 4

(**8**) Section 176(1)(zb) was inserted by section 1(2) of the NICA 2008. Section 176(1)(a) was relevantly amended by section 9(5) of the NICA 2014 and section 1(5) of the NICA 2015.
(**9**) Section 172(11ZB) was inserted by section 2(2) of the NICA 2008. Section 172(11A) was inserted by paragraph 29(5) of Schedule 3 to the Transfer Order and relevantly amended by section 9(10) of the NICA 2014 and section 1(10) of the NICA 2015.
(**10**) Section 141(3) was amended by paragraph 44(4) of Schedule 3 to the Transfer Act. Section 190(1)(a) was amended by paragraph 110 of Schedule 7 to the Social Security Act 1998 (c. 14), Part 6 of Schedule 13 of the WRPA 1999, paragraph 30 of Schedule 1 to the Pensions Act 2007 (c. 22) and paragraph 27 of Schedule 12 to the Pensions Act 2014 (c. 19).
(**11**) Section 166(10A) was inserted by paragraph 50(4) of Schedule 3 to the Transfer Order and amended by paragraph 11(3) of Schedule 4 to the Tax Credits Act 2002 (c. 21).
(**12**) Article 4(8) was substituted by paragraph 52(5) of Schedule 3 to the Transfer Order.
(**13**) Section 15(3) was substituted by section 3(1) of the NICA 2002 and amended by paragraph 420(3) of Schedule 1 to the Income Tax (Trading and Other Income) Act 2005 (c. 5) ("ITTOIA"). Section 18(1A) was inserted by section 3(3) of the NICA 2002. The amount of the upper limits in each of these provisions was last substituted by article 3 of S.I. 2015/588.