Draft Order laid before Parliament under sections 141(3) and 190(1) of the Social Security Administration Act 1992, section 166 (10A) of the Social Security Administration (Northern Ireland) Act 1992, section 2(8) of the Social Security Act 1993 and Article 4(8) of the Social Security (Northern Ireland) Order 1993 for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2001 No.

SOCIAL SECURITY

The Social Security (Contributions) (Re-rating and National Insurance Funds Payments) Order 2001

Made - - - -	*2001*
Coming into force - -	*6th April 2001*

Whereas the Treasury, as a result of carrying out in the tax year 2000–01 a review of the general level of earnings in Great Britain pursuant to section 141(1) and (2) of the Social Security Administration Act 1992(**1**) ("the Administration Act"), have determined that an Order should be made under that section amending Part I of the Social Security Contributions and Benefits Act 1992(**2**) by altering the amount of earnings below which an earner may be excepted from liability for Class 2 contributions, the amount of a Class 3 contribution and the lower and upper limits of profits or gains to be taken into account for Class 4 contributions:

And whereas the Treasury, with a view to adjusting the level at which the National Insurance Fund stands for the time being and having regard to the sums which may be expected to be paid from the Fund in the financial year ending 31st March 2002, think it expedient that an Order should be made under section 143(1) of the Administration Act(**3**), altering the secondary percentage for secondary Class 1 contributions:

And whereas this Order makes provision for Northern Ireland corresponding to that mentioned in the two preceding recitals, pursuant to section 129 of the Social Security Administration (Northern Ireland) Act 1992(**4**):

And whereas the Treasury, 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 31st March 2002, think it expedient that an Order should be made under section 2(2) of the Social Security Act 1993 ("the 1993 Act")(**5**):

(**1**) 1992 c. 5; section 141(1) and (2) were amended by paragraph 44 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2).
(**2**) 1992 c. 4.
(**3**) Section 143(1) was amended by paragraph 90(1) of Schedule 7 to the Social Security Act 1998 (c. 14) and paragraph 46(2) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999.
(**4**) 1992 c. 8; the relevant amendment to section 129 is paragraph 43 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I.1999/671).
(**5**) 1993 c. 3; section 2 was amended by paragraph 60 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999.

And whereas the Treasury, 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 31st March 2002, think it expedient that an Order should be made under Article 4(3) of the Social Security (Northern Ireland) Order 1993 ("the 1993 Order")(**6**):

And whereas a draft of the following Order was laid before Parliament in accordance with the provisions of sections 141(3) and 190(1) of the Administration Act, section 166(10A) of the Social Security Administration (Northern Ireland) Act 1992(**7**), section 2(8) of the 1993 Act and Article 4(8) of the 1993 Order and approved by resolution of each House of Parliament:

Now, therefore, the Treasury, in exercise of the powers conferred by sections 141(4) and (5), 142(2) and (3), 143(1) and (4), 144(2) and 189(3) of the Administration Act, sections 129 and 165(11A) of the Social Security Administration (Northern Ireland) Act 1992(**8**), section 2(2) and (8) of the 1993 Act and Article 4(3) and (8) of the 1993 Order and now vested in them(**9**), and of all other powers enabling them in that behalf, hereby make the following Order:

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Social Security (Contributions) (Re-rating and National Insurance Funds Payments) Order 2001 and shall come into force on 6th April 2001.

(2) In this Order—

"the Act" means the Social Security Contributions and Benefits Act 1992;

"the Northern Ireland Act" means the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**10**).

Secondary percentage for secondary Class 1 contributions

2. In both section 9 of the Act(**11**) and section 9 of the Northern Ireland Act(**12**) (calculation of secondary Class 1 contributions) in subsection (2) for "12.2" (percentage rate) there shall be substituted "11.9".

Small earnings exception from Class 2 contributions

3. In both section 11 of the Act(**13**) and section 11 of the Northern Ireland Act (**14**) (Class 2 contributions) in subsection (4) (small earnings exception) for "£3,825" there shall be substituted "£3,955".

(**6**) S.I. 1993/592 (N.I. 2); Article 4 was amended by paragraph 52 of Schedule 3 to S.I. 1999/671.
(**7**) Section 166(10A) was inserted by paragraph 50(4) of Schedule 3 to S.I. 1999/671.
(**8**) Section 165(11A) was inserted by paragraph 49(4) of Schedule 3 to S.I. 1999/671.
(**9**) See paragraphs 44 to 46, 48, 57 and 60 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 and paragraphs 43, 49, 50 and 52 of Schedule 3 to S.I. 1999/671.
(**10**) 1992 c. 7.
(**11**) Section 9 was substituted by paragraph 5 of Schedule 9 to the Welfare Reform and Pensions Act 1999 (c. 30).
(**12**) Section 9 was substituted by paragraph 5 of Schedule 10 to the Welfare Reform and Pensions Act 1999.
(**13**) Section 11 was amended by paragraph 12 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999, and the figure in subsection (4) was last amended by Article 2 of S.I. 2000/755.
(**14**) Section 11 was amended by paragraph 13 of Schedule 3 to S.I. 1999/671, and the figure in subsection (4) was last amended by Article 2 of S.I. 2000/755.