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

DRAFT STATUTORY INSTRUMENTS

1998 No.

SOCIAL SECURITY

The Social Security (Contributions) (Re-rating and National Insurance Fund Payments) Order 1998

Made - - - -	*1998*
Coming into force - -	*6th April 1998*

Whereas the Secretary of State for Social Security, as a result of carrying out in the tax year 1997–98 a review of the general level of earnings pursuant to section 141(1) and (2) of the Social Security Administration Act 1992(**1**) ("the Administration Act"), has determined that an Order should be made under that section amending Part I of the Social Security Contributions and Benefits Act 1992(**2**) ("the Contributions and Benefits Act") by altering the rates of Class 2 and Class 3 contributions, the amount of earnings below which an earner may be excepted from liability for Class 2 contributions and the lower and upper limits of profits or gains to be taken into account for Class 4 contributions:

And whereas the Secretary of State, 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 1999, thinks it expedient that an Order should be made under section 2(2) of the Social Security Act 1993 ("the 1993 Act")(**3**):

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 and section 2(8) of the 1993 Act and approved by resolution of each House of Parliament:

Now, therefore, the Secretary of State for Social Security in exercise of powers conferred by sections 141(4) and (5), 142(2) and 189(1) and (3) of the Administration Act and, with the consent of the Treasury, section 2(2) and (8) of the 1993 Act and of all other powers enabling her in that behalf, hereby makes the following Order:

(**1**) 1992 c. 5.
(**2**) 1992 c. 4.
(**3**) 1993 c. 3.

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Social Security (Contributions) (Re-rating and National Insurance Fund Payments) Order 1998 and shall come into force on 6th April 1998.

(2) In this Order "the Act" means the Social Security Contributions and Benefits Act 1992.

Rate of, and small earnings exception from, Class 2 contributions

2. In section 11 of the Act (Class 2 contributions)(**4**)—

(a) in subsection (1) (weekly rate) for "£6.15", substitute "£6.35";

(b) in subsection (4) (small earnings exception) for "£3,480", substitute "£3,590".

Amount of Class 3 contributions

3. In section 13(1) of the Act (amount of Class 3 contributions)(**5**) for "£6.05", substitute "£6.25".

Lower and upper limits for Class 4 contributions

4. In section 15(3) and section 18(1) of the Act (Class 4 contributions recoverable under the Income Tax Acts and under regulations)(**6**)—

(a) for "£7,010" (lower limit) in each place where it appears, substitute "£7,310";

(b) for "£24,180" (upper limit) in both places where it appears, substitute "£25,220".

Prescribed percentage of estimated benefit expenditure

5. Section 2(2) of the Social Security Act 1993 (payments into the National Insurance Fund out of money provided by Parliament) shall have effect with respect to the tax year 1998–99 and the prescribed percentage of estimated benefit expenditure for the financial year ending with 31st March in that tax year shall be 2 per cent..

Signed by authority of the Secretary of State for Social Security.

Minister of State,
1998 Department of Social Security

(**4**) Section 11 was further amended by article 3 of S.I.1997/544 from 6th April 1997.
(**5**) Section 13 was further amended by article 4 of S.I. 1997/544 from 6th April 1997.
(**6**) The lower and upper limits were further amended by article 5 of S.I. 1997/544 from 6th April 1997.