STATUTORY RULES OF NORTHERN IRELAND

1999 No. 118

SOCIAL SECURITY

The Social Security (Contributions and Credits) (Miscellaneous Amendments) Regulations (Northern Ireland) 1999

Made - - - - 15th March 1999
Coming into operation in accordance with regulation 1(1)

The Department of Health and Social Services for Northern Ireland, in exercise of the powers conferred on it by sections 3(2), (2A), (3) and (5), 5(1), 6(1), 8(1), 9(1), 14(1), 17(1) and (2), 19(1) to (3), 22(5), 119 and 171(1) to (4) of, and paragraphs 4(a), 6(1) and 8(1)(a), (m) and (q) of Schedule 1 to, the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**1**) and section 142(12) of the Social Security Administration (Northern Ireland) Act 1992(**2**) and of all other powers enabling it in that behalf, and with the concurrence of the Inland Revenue in so far as their concurrence is required, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Contributions and Credits) (Miscellaneous Amendments) Regulations (Northern Ireland) 1999 and shall come into operation—

(a) for the purposes of regulations 9 and 10, on 6th April 1999 immediately after the coming into operation of regulations 2(e) and 3(a)(ii) and (b) of the Social Security (Contributions), Statutory Maternity Pay and Statutory Sick Pay (Miscellaneous Amendments) Regulations (Northern Ireland) 1999(**3**);

(b) for all other purposes, on 6th April 1999.

(2) In these Regulations "the principal Regulations" means the Social Security (Contributions) Regulations (Northern Ireland) 1979(**4**).

(**1**) 1992 c. 7; section 3(2A) was inserted by Article 45 of, section 3(5) was added by Article 46 of, sections 5(1), 6(1), 8(1) and 9 were substituted by Article 48 of, and paragraph 6(1) was amended by paragraph 58(8) of Schedule 6 to, the Social Security (Northern Ireland) Order 1998 (S.I.1998/1506 (N.I. 10)); section 22(5) was amended by paragraph 5 of Schedule 2 to the Jobseekers (Northern Ireland) Order 1995 (S.I. 1995/2705 (N.I. 15))

(**2**) 1992 c. 8

(**3**) S.R. 1999 No. 117

(**4**) S.R. 1979 No. 186; relevant amending regulations are S.R. 1980 No. 463, S.R. 1981 No. 30, S.R. 1982 Nos. 69 and 267, S.R. 1983 No. 64, S.R. 1984 No. 43, S.R. 1985 Nos. 61 and 260, S.R. 1987 Nos. 143 and 468, S.R. 1989 Nos. 70 and 384, S.R. 1991 Nos. 106 and 404, S.R. 1992 Nos. 41 and 280, S.R. 1996 Nos. 108 and 433, S.R. 1997 No. 163, S.R. 1998 Nos. 72 and 317 and S.R. 1999 No. 117

Amendment of the Social Security (Credits) Regulations

2. In the Social Security (Credits) Regulations (Northern Ireland) 1975(**5**)—

(a) in regulation 2(1) (interpretation) in the definition of "relevant earnings factor"(**6**), and

(b) in regulation 9(a)(**7**) (crediting of earnings for the purposes of entitlement to short-term incapacity benefit — further conditions),

for "upon which" in each place where it occurs there shall be substituted "in respect of which".

Amendment of regulation 1 of the principal Regulations

3. In regulation 1 of the principal Regulations (citation, commencement and interpretation)—

(a) in paragraph (2)—

(i) for the definition of "contracted-out rate" there shall be substituted the following definition—

""contracted-out rate" means, in relation to Class 1 contributions payable in respect of earnings paid to or for the benefit of an earner who is in—

(a) COSRS employment(**8**), the reduced amount for the time being applying in accordance with section 37(1) to (1B) of the Pension Schemes (Northern Ireland) Act 1993(**9**) (reduced rates of Class 1 contributions);

(b) COMPS employment(**10**), the reduced amount for the time being applying in accordance with section 38A(1) to (2A)(**11**) of the Pension Schemes (Northern Ireland) Act 1993 (reduced rates of Class 1 contributions, and rebates);";

(ii) for the definition of "non-contracted-out rate"(**12**) there shall be substituted the following definition—

""non-contracted-out rate" means, in relation to Class 1 contributions payable in respect of earnings paid to or for the benefit of an earner in non-contracted-out employment, the primary percentage for the time being specified in section 8(2)(**13**) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992;";

(iii) for the definition of "normal percentage" there shall be substituted the following definition—

""normal rate" means the amount of a Class 1 contribution which would be payable in respect of earnings paid to or for the benefit of an employed earner in any week if the employment were not contracted-out employment;";

(iv) after the definition of "regular interval" there shall be inserted the following definition—

(**5**) S.R. 1975 No. 113; relevant amending regulations are S.R. 1987 No. 153 and S.R. 1996 No. 430
(**6**) Definition of "relevant earnings factor" was substituted by S.R. 1987 No. 153 and amended by S.R. 1996 No. 430
(**7**) Regulation 9 was substituted by S.R. 1996 No. 430
(**8**) Definition of "COSRS employment" was inserted by S.R. 1996 No. 433
(**9**) 1993 c. 49; section 37(1) to (1B) is substituted by paragraph 95 of Schedule 6 to the Social Security (Northern Ireland) Order 1998
(**10**) Definition of "COMPS employment" was inserted by S.R. 1996 No. 433
(**11**) Section 38A was inserted by Article 134(4) of the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) and subsections (1) to (2A) are substituted by paragraph 96 of Schedule 6 to the Social Security (Northern Ireland) Order 1998
(**12**) Definition of "non-contracted-out rate" was amended by S.R. 1985 No. 260 and S.R. 1989 No. 384
(**13**) Section 8(2) was substituted by Article 48(3) of the Social Security (Northern Ireland) Order 1998

""retirement benefits scheme" has the meaning assigned to it in section 611 of the Income and Corporation Taxes Act 1988(**14**);";

(v) for the definition of "secondary contributor" there shall be substituted the following definition—

""secondary contributor" means the person who, in respect of earnings from employed earner's employment, is liable to pay a secondary Class 1 contribution under section 6(3)(b) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992;";

(b) in paragraph (3)(**15**) for "and 46" there shall be substituted ", 46(**16**) and 125(**17**)".

Substitution of regulation 7 of the principal Regulations

4. For regulation 7(**18**) of the principal Regulations (lower and upper earnings limits) there shall be substituted the following regulation—

"**Lower and upper earnings limits and earnings threshold**

7. For the purposes of section 5(1) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (earnings limits and earnings threshold for Class 1 contributions), for the year which begins on 6th April 1999—

(a) the lower earnings limit (for primary Class 1 contributions) for that year shall be £66;

(b) the upper earnings limit (for primary Class 1 contributions) for that year shall be £500;

(c) the earnings threshold (for secondary Class 1 contributions) for that year shall be—

(i) £83 per week where the earnings period is a week;

(ii) £361 per month where the earnings period is a month;

(iii) £4,335 per year where the earnings period is a year.".

Substitution of regulation 8 of the principal Regulations

5. For regulation 8(**19**) of the principal Regulations (equivalent amounts) there shall be substituted the following regulation—

"**Equivalent amounts**

8.—(1) The equivalent amounts for the purposes of sections 6(1), 8(1) and 9(1) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (liability for Class 1 contributions, calculation of primary Class 1 contributions and calculation of secondary Class 1 contributions) and sections 37(1) and 38A(1) of the Pension Schemes (Northern Ireland) Act 1993 (reduced rates of Class 1 contributions and reduced rates of Class 1 contributions, and rebates) shall be determined in accordance with the following provisions of this regulation.

(**14**) 1988 c. 1
(**15**) Paragraph (3) was added by S.R. 1998 No. 317
(**16**) Regulation 46 was amended by S.R. 1992 No. 41 and S.R. 1999 No. 117
(**17**) Regulation 125 was amended by S.R. 1989 No. 70 and is substituted by regulation 19 of these Regulations
(**18**) Regulation 7 was amended by S.R. 1980 No. 463 and S.R. 1998 No. 72
(**19**) Regulation 8 was amended by S.R. 1987 Nos. 143 and 468 and S.R. 1989 No. 384

(2) The respective equivalent amounts for the purposes of sections 6(1)(a) and 8(1) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 and sections 37(1) and 38A(1) of the Pension Schemes (Northern Ireland) Act 1993 shall be—

(a) where the earnings period is a multiple of a week, the amounts calculated by multiplying the weekly lower and upper earnings limits ("the weekly limits") by the corresponding multiple;

(b) where the earnings period is a month, the amounts calculated by multiplying each of the weekly limits by 4⅓;

(c) where the earnings period is a multiple of a month, the amounts calculated by multiplying each of the weekly limits by 4⅓ and multiplying each product by the corresponding multiple;

(d) in any other case, the amounts calculated by dividing each of the weekly limits by 7 and multiplying each product by the number of days in the earnings period concerned.

(3) The respective equivalent amount for the purpose of sections 6(1)(b) and 9(1) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 shall be—

(a) where the earnings period is a multiple of a week, the amount calculated by dividing the annual earnings threshold by 52 and multiplying the product by the corresponding multiple;

(b) where the earnings period is a multiple of a month, the amount calculated by dividing the annual earnings threshold by 12 and multiplying the product by the corresponding multiple;

(c) in any other case, the amount calculated by dividing the annual earnings threshold by 365 and multiplying the product by the number of days in the earnings period concerned,

and for the purposes of this paragraph "annual earnings threshold" means the earnings threshold applicable to an earnings period of a year specified in regulation 7(c)(iii) of these Regulations.

(4) The amounts determined in accordance with—

(a) paragraph (2)(b) and (c);

(b) paragraph (3)(a) and (b),

of this regulation, if not whole pounds, shall be rounded up to the next whole pound.

(5) The calculation prescribed in—

(a) paragraph (2)(d);

(b) paragraph (3)(c),

of this regulation shall to be the nearest £0.01 and any amount of £0.005 or less shall be disregarded.".

Revocation of regulation 8A of the principal Regulations

6. Regulation 8A(**20**) of the principal Regulations (equivalent earnings brackets for earners paid otherwise than weekly) is hereby revoked.

(**20**) Regulation 8A was inserted by S.R. 1985 No. 260 and amended by S.R. 1987 Nos. 143 and 468 and S.R. 1989 No. 384

Amendment of regulation 9 of the principal Regulations

7. In regulation 9(**21**) of the principal Regulations (calculation of earnings-related contributions) —

(a) for paragraph (1) there shall be substituted the following paragraph—

"(1) Subject to the provisions of paragraphs (3) and (4) of this regulation, earnings-related contributions shall be calculated in accordance with the following provisions of this paragraph—

(a) primary and secondary Class 1 contributions under section 6(**22**) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (liability for Class 1 contributions) and any primary and secondary Class 1 contributions at the normal rate and at the contracted-out rate shall each be calculated separately; and

(b) as regards the calculation referred to in sub-paragraph (a) of this paragraph—

(i) primary and secondary Class 1 contributions shall be calculated to the nearest £0.01 and any amount of £0.005 or less shall be disregarded;

(ii) earnings which in the relevant earnings period exceed the current lower earnings limit by £0£01, but not by more than £0.10, shall be treated as having exceeded that limit by £0.10.";

(b) in paragraph (5) for "paragraph 1(1) of Schedule 1 to the Act" there shall be substituted "paragraph 1(1) of Schedule 1 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (Class 1 contributions where earner employed in more than one employment)".

Substitution of regulation 17 of the principal Regulations

8. For regulation 17(**23**) of the principal Regulations (annual maximum) there shall be substituted the following regulation—

"**Annual maximum**

17. Subject to the provisions of section 12 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (late paid Class 2 contributions) and of regulations 43B, 43C and 43D(**24**) of these Regulations, for the purposes of section 19(1) and (2) of that Act (power to prescribe maximum amounts of contributions and repayment of excess) where an earner is employed in more than one employment but without prejudice to the earner's liability in the first instance for the full amounts payable apart from this regulation, liability in any year for primary Class 1 contributions, or, where both Class 1 and Class 2 contributions are payable by an earner in any year, for both primary Class 1 contributions and Class 2 contributions shall not exceed an amount equal to 53 primary Class 1 contributions at the primary percentage payable on earnings at the upper earnings limit for that year.".

(**21**) Regulation 9 was amended by S.R. 1985 No. 260
(**22**) Section 6 was amended by Schedule 1 to the Employment Rights (Northern Ireland) Order 1996 (S.I. 1996/1919 (N.I. 16)) and Article 48(2) of the Social Security (Northern Ireland) Order 1998 and is amended by paragraph 39 of Schedule 6 to that Order
(**23**) Regulation 17 was amended by S.R. 1985 No. 61
(**24**) Regulations 43B to 43D were inserted by S.R. 1985 No. 61 and amended by S.R. 1985 No. 260 and S.R. 1991 No. 404