STATUTORY RULES OF NORTHERN IRELAND

1996 No. 433

SOCIAL SECURITY

The Social Security (Contributions) (Amendment No. 5) Regulations (Northern Ireland) 1996

Made - - - -	*18th September 1996*
Coming into operation	*6th April 1997*

The Department of Health and Social Services for Northern Ireland, in exercise of the powers conferred on it by sections 3(2) and (3), 4(5) and 17(3) and (6) of, and paragraphs 1(1), 2, 6(1) and 8(1)(*m*) of Schedule 1 to, the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**1**) 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) (Amendment No. 5) Regulations (Northern Ireland) 1996 and shall come into operation on 6th April 1997.

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

Amendment of regulation 1 of the principal Regulations

2. In regulation 1(2) of the principal Regulations (interpretation)—

(a) after the definition of "company"(**3**) there shall be inserted the following definition—

> ""COMPS employment" means employment in respect of which minimum payments are made to a money purchase pension scheme contracted out under section 5(3) of the Pension Schemes (Northern Ireland) Act 1993(**4**) (requirements for certification of schemes);";

(**1**) 1992 c. 7

(**2**) S.R. 1979 No. 186; relevant amending regulations are S.R. 1980 No. 463, S.R. 1981 No. 30, S.R. 1984 No. 43, S.R. 1985 No. 260, S.R. 1988 No. 204, S.R. 1989 No. 384, S.R. 1991 No. 106, S.R. 1992 Nos. 41 and 280, S.R. 1995 No. 91 and S.R. 1996 Nos. 89 and 430

(**3**) Definition of "company" was substituted by S.R. 1991 No. 106

(**4**) 1993 c. 49; section 5(3) is amended by Article 133(4) of, and paragraph 17 of Schedule 3 to, the Pensions (Northern Ireland) Order 1995 (S.I.1995/3213 (N.I. 22))

(b) after the definition of "contributory benefit"(**5**) there shall be inserted the following definitions—

""COSRS employment" means employment which qualifies an earner for a pension provided by a salary related scheme contracted out under section 5(2) of the Pension Schemes (Northern Ireland) Act 1993(**6**);

"director" means—

(a) in relation to a company whose affairs are managed by a board of directors or similar body, a member of that board or similar body;

(b) in relation to a company whose affairs are managed by a single director or similar person, that director or person;

(c) any person in accordance with whose directions or instructions the company's directors as defined in paragraphs (*a*) and (*b*) of this definition are accustomed to act; and for this purpose a person is not to be treated as such a person by reason only that the directors act on advice given by him in his professional capacity;".

Amendment of regulation 5A of the principal Regulations

3. In regulation 5A(2) of the principal Regulations(**7**) (earnings period for earnings to be aggregated where the earnings periods for those earnings otherwise would be of different lengths) for sub-paragraph (*b*) there shall be substituted the following sub-paragraphs—

"(b) where the earnings are derived from employments which include any contracted-out employment and any non-contracted-out employment and the employed earner is not a person in respect of whom minimum contributions are paid by the Department in accordance with section 39 of the Pension Schemes (Northern Ireland) Act 1993(**8**), and

(i) any of the contracted-out employments is COMPS employment, the earnings period in respect of the earnings derived from that COMPS employment or, if there is more than one such employment, the shorter, or as the case may be the shortest, of the earnings periods derived from such employments;

(ii) the contracted-out employment is COSRS employment only, the earnings period in respect of the earnings derived from that COSRS employment or, if there is more than one such employment, the shorter, or as the case may be the shortest, of the earnings periods derived from such employments; or

(bb) where the earnings are derived from employments which are contracted-out employments only, and—

(i) any of the employments is COMPS employment, the earnings period in respect of the earnings derived from that COMPS employment or, if there is more than one such employment, the shorter, or as the case may be the shortest, of the earnings periods derived from such employments;

(ii) all of those employments are COSRS employment, the shorter, or as the case may be the shortest, of the earnings periods derived from such employments; and".

(**5**) Definition of "contributory benefit" was inserted by S.R. 1996 No. 430
(**6**) Section 5(2) is substituted by Article 133(3) of the Pensions (Northern Ireland) Order 1995
(**7**) Regulation 5A was inserted by S.R. 1980 No. 463 and amended by S.R. 1996 No. 89
(**8**) Section 39 is amended by paragraph 34 of Schedule 3 to the Pensions (Northern Ireland) Order 1995

Amendment of regulation 32 of the principal Regulations

4.—(1) Regulation 32 of the principal Regulations (return of contributions) shall be amended in accordance with paragraphs (2) and (3) of this regulation.

(2) In paragraph (2)(**9**)—

(a) for "Article 3(9) of the 1986 Order" there shall be substituted "section 40(1) of the Pension Schemes (Northern Ireland) Act 1993(**10**)";

(b) for sub-paragraph (*d*) there shall be substituted the following sub-paragraphs—

"(d) any amount of primary Class 1 contributions at the percentages applying under section 37(1) of the Pension Schemes (Northern Ireland) Act 1993(**11**) (reduced rates of Class 1 contributions) in respect of COSRS employment as specified in head (i), (ii) or (iii) of this sub-paragraph—

(i) where the amount paid at the contracted-out percentage is equal to or exceeds 53 times the amount payable on earnings at the upper earnings limit for that year, the amount paid at the normal percentage in excess of 53 times the amount, calculated at the initial primary percentage rate specified in section 8(2)(*a*) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (calculation of primary Class 1 contributions), payable on earnings at the lower earnings limit for that year and the amount paid at the contracted-out percentage if any;

(ii) where the amount paid at the contracted-out percentage is less than 53 times the amount payable on earnings at the upper earnings limit for that year, the amount paid at the normal percentage;

(iii) where no amount has been paid at the contracted-out percentage, the amount paid at the normal percentage;

(e) any amount of primary Class 1 contributions at the percentages applying under section 38A of the Pension Schemes (Northern Ireland) Act 1993(**12**) (reduced rates of Class 1 contributions, and rebates) in respect of COMPS employment as specified in head (i), (ii) or (iii) of this sub-paragraph—

(i) where the amount paid at the contracted-out percentage is equal to or exceeds 53 times the amount payable on earnings at the upper earnings limit for that year, the amount paid at the normal percentage in excess of 53 times the amount, calculated at the initial primary percentage rate specified in section 8(2)(*a*) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, payable on earnings at the lower earnings limit for that year and the amount paid at the contracted-out percentage if any;

(ii) where the amount paid at the contracted-out percentage is less than 53 times the amount payable on earnings at the upper earnings limit for that year, the amount paid at the normal percentage;

(iii) where no amount has been paid at the contracted-out percentage, the amount paid at the normal percentage.".

(3) In paragraph (2A)(**13**)—

(a) for "Article 3(9)" there shall be substituted "section 40(1)";

(**9**) Paragraph (2) was amended by S.R. 1985 No. 260, S.R. 1988 No. 204 and S.R. 1989 No. 384
(**10**) Section 40(1) is amended by Article 160(*a*) of the Pensions (Northern Ireland) Order 1995
(**11**) Section 37(1) is substituted by Article 134(2) of the Pensions (Northern Ireland) Order 1995
(**12**) Section 38A is inserted by Article 134(4) of the Pensions (Northern Ireland) Order 1995
(**13**) Paragraph (2A) was inserted by S.R. 1988 No. 204