1985 No. 260

SOCIAL SECURITY

The Social Security (Contributions and Credits) (Transitional and Consequential Provisions) Regulations (Northern Ireland) 1985

Made . . . . . 26th September 1985

Coming into operation . . . 6th October 1985

The Department of Health and Social Services for Northern Ireland, in exercise of the powers conferred on it by sections 4(6A) and (6D) and 13(4) of the Social Security (Northern Ireland) Act 1975(**a**) and Article 1(8) of the Social Security (Northern Ireland) Order 1985(**b**) and of all other powers enabling it in that behalf, hereby makes the following regulations:

Citation, commencement and interpretation

1.—(1) These regulations may be cited as the Social Security (Contributions and Credits) (Transitional and Consequential Provisions) Regulations (Northern Ireland) 1985 and shall come into operation on 6th October 1985.

(2) In these regulations—

"the Act" means the Social Security (Northern Ireland) Act 1975;

"the principal regulations" means the Social Security (Contributions) Regulations (Northern Ireland) 1979(**c**);

and other expressions have the same meanings as in that Act or, as the case may be, those regulations.

(3) The Interpretation Act 1978(**d**) shall apply to these regulations as it applies to an Act of the United Kingdom Parliament.

Transitional provisions for the assessment of Class 1 contributions

2.—(1) This regulation applies in the case of a person—

(*a*) who on 6th October 1985 is a director of a company and has been such a director continuously since 6th April 1985 and in respect of whose earnings, by virtue of regulation 6A(1) and (3) of the principal regulations, the earnings period is the year commencing 6th April 1985; or

(*b*) who on or after 6th October 1985 is a director of a company and in respect of whose earnings the earnings period falls to be determined in accordance with—

(i) regulation 6A(1) and (2), or

(ii) regulation 6A(1) and (3)

of the principal regulations, and commenced during the period from 6th April 1985 to 5th October 1985; or

(a) 1975 c. 15; Section 4(6A) and (6D) was inserted by Article 9(2) of the Social Security (Northern Ireland) Order 1985 (S.I. 1985/1209 (N.I. 16))

(b) S.I. 1985/1209 (N.I. 16)

(c) S.R. 1979 No. 186; the relevant amending provisions are paragraph 2 of Schedule 1 to the Social Security (Contributions) (Northern Ireland) Order 1982 (S.I. 1982/158 (N.I. 4)) and S.R. 1980 No. 463, S.R. 1982 Nos. 69 and 408, S.R. 1983 Nos. 8 and 430, S.R. 1984 No. 43 and S.R. 1985 No. 61

(d) 1978 c. 30

(*c*) who is a person whose earnings, by virtue of regulation 2, 3, 5A, 21 or 22 of the principal regulations, are assessed by reference to an earnings period which is the year commencing 6th April 1985; or

(*d*) who after 5th April 1985 but before 6th October 1985 ceased to be a director of a company and—

(i) in respect of whose earnings, by virtue of regulation 6A(1) and (3) of the principal regulations, the earnings period is the year commencing 6th April 1985, or

(ii) in respect of whose earnings, the earnings period is determined by virtue of regulation 6A(1) and (2) of the principal regulations,

and is paid earnings in respect of any employed earner's employment with that company at any time in the period from 6th October 1985 to 5th April 1986; or

(*e*) who—

(i) ceased to be a director of a company before 6th April 1985, and

(ii) in respect of whose earnings, by virtue of regulation 6A(1) and (5) of the principal regulations, the earnings period is the year commencing 6th April 1985, and

(iii) is paid earnings in respect of any period during which he was such a director at any time in the period from 6th October 1985 to 5th April 1986; or

(*f*) who—

(i) is a person whose earnings, by virtue of regulation 2, 3, 5A, 21 or 22 of the principal regulations, are assessed by reference to an earnings period which is the year commencing 6th April 1985, and

(ii) after 5th April 1985 but before 6th October 1985 ceased to be employed in the employment from which those earnings derived, and

(iii) is paid any such earnings in the period from 6th October 1985 to 5th April 1986.

(2) In a case to which this regulation applies no secondary Class 1 contribution shall be payable on such earnings as are paid within an earnings period specified in paragraph (1) above as exceed an amount which is the sum of—

(*a*) the equivalent amount for the upper earnings limit for that earnings period calculated in accordance with regulation 8 of the principal regulations, and

(*b*) half the amount whereby the earnings paid in the earnings period exceed that equivalent amount, disregarding any fraction of £1.

(3) Where the earnings period is the period mentioned in paragraph (1)(*a*), (*b*)(ii), (*c*), (*d*)(i), (*e*) or (*f*) above, for the purposes of section 4(6B) and (6E) of the Act (incidence of Class 1 contributions)(**a**) the appropriate percentage rates shall be—

(*a*) where the earnings in that earnings period do not exceed £2,859·95, in the case of primary and secondary Class 1 contributions, 5 per cent.;

(*b*) where the earnings in that earnings period exceed £2,859·95 but do not exceed £4,679·99, in the case of primary and secondary Class 1 contributions, 7 per cent.;

(*c*) where the earnings in that earnings period exceed £4,679·99, in the case of primary Class 1 contributions, 9 per cent.;

(*d*) where the earnings in that earnings period exceed £4,679·99 but do not exceed £6,759·95, in the case of secondary Class 1 contributions, 9 per cent.;

(**a**) Section 4(6B) and (6E) was inserted by Article 9(2) of the Social Security (Northern Ireland) Order 1985

(*e*) where the earnings in that earnings period exceed £6,759·95, in the case of secondary Class 1 contributions, 10·45 per cent.

(4) Where the earnings period is the period mentioned in paragraph (1)(*b*)(i) or (*d*)(ii) above, for the purposes of the said section 4(6B) and (6E) the appropriate percentage rate shall be obtained by dividing the amount of the earnings paid in the earnings period by the number of weeks therein and by applying the quotient as if it were a payment of weekly earnings.

Amount of Class 3 contributions payable in respect of the year 1985/86

3.—(1) Subject to section 8(2C) of the Act(**a**) the amount of a Class 3 contribution payable in respect of the year commencing 6th April 1985 shall be—

(*a*) in respect of the first 26 contribution weeks of that year £4·65;

(*b*) in respect of the last 26 contribution weeks of that year £3·40.

(2) Where contributions paid by or credited to a person in respect of the year commencing 6th April 1985 are insufficient to enable him to satisfy the contribution conditions of entitlement to benefit by acquiring the requisite earnings factor for that year, then, subject to regulations 27 and 28 of the principal regulations, he may not pay more than 26 Class 3 contributions at the amount of £3·40 and, where he has paid or there are payable Class 2 contributions at the rate of £3·50 (being the rate coming into operation on 6th October 1985) he may only pay a number of such Class 3 contributions which, when added to the number of such Class 2 contributions, does not exceed 26.

(3) For the purposes of Class 3 contributions in respect of the year commencing 6th April 1985, the contribution week commencing 31st March 1985 shall be treated as falling wholly in the year commencing 6th April 1984.

Modification of the Act

4.—(1) Sections 7A (late paid Class 2 contributions) and 8(2C) (Class 3 contributions) of the Act(**b**) shall be modified in accordance with the following provisions of this regulation.

(2) In section 7A(3) for sub-paragraph (*b*) to the end there shall be substituted—

"(*b*) the weekly rate of ordinary Class 2 contributions for the week in respect of which the contribution was payable in the contribution year differs from the weekly rate applicable at the time of payment in the payment year,

the amount of the contribution shall be computed by reference to the highest weekly rate of ordinary Class 2 contributions in the period from the week in respect of which the contribution is paid to the day on which it is paid.".

(3) In section 8(2C) for sub-paragraph (*b*) to the end there shall be substituted—

"(*b*) the amount of a Class 3 contribution applicable had the contribution been paid in the contribution year differs from the amount applicable at the time of payment in the payment year,

the amount of the contribution shall be computed by reference to the highest of those two amounts and of any amount of a Class 3 contribution in the intervening period.".

(**a**) Section 8(2C) was inserted by Article 12(3) of the Health and Social Security (Northern Ireland) Order 1984 (S.I. 1984/1158 (N.I. 8))

(**b**) Section 7A was inserted by Article 11(2) of the Health and Social Security (Northern Ireland) Order 1984

Amendment of the principal regulations

5.—(1) The principal regulations shall be amended in accordance with the following provisions of this regulation.

(2) In regulation 1(2) (interpretation)—

(*a*) in the definition of "non-contracted-out rate" for the words from "the percentages" to "section 4(6)" there shall be substituted "the appropriate percentage rate for the time being specified in section 4(6B) or, as the case may be, (6E)";

(*b*) for the definition of "standard rate" there shall be substituted—

" "standard rate" means the appropriate percentage rate specified in section 4(6B) of the Act for primary Class 1 contributions;".

(3) After regulation 8 (equivalent amounts) there shall be inserted the following regulation—

"*Equivalent earnings brackets for earners paid otherwise than weekly*

8A.—(1) The amounts of the equivalent earnings brackets for the purposes of section 4(6B) and (6E) of the Act shall be determined in accordance with the following provisions of this regulation.

(2) In this regulation "the lower bracket" means the lesser amount in each bracket specified in the said section 4(6B) and (6E) and "the higher bracket" means any greater amount therein specified.

(3) The respective equivalent lower brackets shall be—

(*a*) where the earnings period is a multiple of a week, the amounts calculated by multiplying each lower bracket by the corresponding multiple;

(*b*) where the earnings period is a month, the amounts calculated by multiplying each lower bracket by 4⅓;

(*c*) where the earnings period is a multiple of a month, the amounts calculated by applying sub-paragraph (*b*) of this paragraph and multiplying each product by the corresponding multiple;

(*d*) in any other case, the amounts calculated by dividing each lower bracket by 7 and multiplying each quotient by the number of days in the earnings period concerned.

(4) Each of the calculations prescribed in sub-paragraphs (*b*) and (*d*) of paragraph (3) of this regulation shall be to the nearest £0·01, and any amount of £0·005 or less shall be disregarded.

(5) The respective equivalent higher brackets shall be—

(*a*) in the case of brackets 1 and 2 in the said section 4(6B) and in the case of brackets 1 to 3 in the said section 4(6E), £0·01 less than the next succeeding lower bracket.

(*b*) in the case of bracket 3 in the said section 4(6B), the upper earnings limit determined in accordance with regulation 8 of these regulations (equivalent amounts).".

(4) Regulation 9 (calculation of earnings-related contributions) shall be amended as follows—

(*a*) in paragraph (2) after "scale" there shall be inserted "or, for contributions payable on earnings above the upper earnings limit or the prescribed equivalent thereof, a contributions calculator";

(*b*) for paragraphs (3) and (4) there shall be substituted the following paragraphs—

"(3) Where the amount of earnings to which—

(*a*) the appropriate scale is to be applied does not appear in the scale, the