CHAPTER 34

An Act to make provision for requiring persons who pay, or are liable to pay, contributions under the National Insurance Acts, 1946 to 1956, to pay contributions towards the cost of the national health service, and, in consequence thereof, to reduce the rates of contributions under those Acts, and to discontinue the making of payments out of the National Insurance Fund in respect of the national health service under section thirty-seven of the National Insurance Act, 1946; and for purposes connected with the matters aforesaid.

[17th July, 1957]

Most Gracious Sovereign,

WE, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom in Parliament assembled, towards providing such sums as may be required for the national health service in England and Wales, and in Scotland, have freely and voluntarily resolved to give and grant unto Your Majesty the contributions hereinafter mentioned; and do therefore most humbly beseech Your Majesty that it may be enacted, and be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Contributions to national health service.

1.—(1) As from the appointed day, every person who, either as an insured person or as an employer, pays, or is liable to pay, contributions under the National Insurance Acts, 1946 to 1956 (in this Act referred to as "the National Insurance Acts"), shall be liable, in accordance with the following provisions of this section, to pay contributions which shall be known, and are hereafter referred to in this Act, as national health service contributions.

(2) Every person who, in respect of any contribution week beginning on or after the appointed day, pays, or is liable to pay, a contribution under the National Insurance Acts as a person of a description specified in the first column of the First Schedule to this Act, otherwise than in paragraph 4 of that Schedule, shall, in respect of that week, be liable to pay a national health service contribution at the rate specified in relation to that description in the second column of that Schedule.

(3) Subject to the provisions of this Act, every person who, in respect of any contribution week beginning on or after the appointed day, is liable to pay an employer's contribution under the National Insurance Acts in respect of any person shall, in respect of that week, be liable to pay in respect of that person a national health service contribution at the rate specified in the second column of paragraph 4 of the First Schedule to this Act.

(4) National health service contributions shall be paid to the Minister of Pensions and National Insurance, but, as between that Minister and the Minister of Health and the Secretary of State, shall, subject to the following provisions of this Act, be taken to be so paid for the benefit of the Minister of Health, towards the cost of the national health service in England and Wales, and of the Secretary of State, towards the cost of the national health service in Scotland, in such shares as the Treasury may determine.

(5) All sums received by virtue of this Act by the Minister of Health shall be treated as sums received by him under the National Health Service Act, 1946, otherwise than as sums required to be transferred to the Hospital Endowments Fund; and all sums received by virtue of this Act by the Secretary of State shall be treated as sums received by him under the National Health Service (Scotland) Act, 1947.

9 & 10 Geo. 6. c. 81.

10 & 11 Geo. 6. c. 27.

Consequential reduction of national insurance contributions.

2.—(1) The application of national health service contributions in accordance with subsections (4) and (5) of the preceding section shall be in substitution for the making, out of the National Insurance Fund, of payments in respect of the cost of the national health service under section thirty-seven of the Act of 1946; and the payment of national health service contributions shall be in substitution for the payment of so much of the contributions under the National Insurance Acts as (apart from this Act) would have been required for enabling the payments under the said section thirty-seven to be made.

(2) In accordance with the preceding subsection—

(*a*) no payments shall be made under section thirty-seven of the Act of 1946 in respect of any period ending on or after the appointed day, and (except in relation to

the making of any payment in respect of a period ending before that day) that section, and the Fourth Schedule to the Act of 1946, shall cease to have effect on that day; and

(*b*) the weekly rates of contributions payable under the National Insurance Acts shall be reduced in accordance with the next following subsection.

(3) As from the appointed day, the weekly rates of contributions payable under the National Insurance Acts—

(*a*) by persons of the descriptions specified in the first column of the Second Schedule to this Act, otherwise than in paragraph 4 of that Schedule, and

(*b*) by employers in respect of employed persons,

shall be reduced by the amounts specified in relation to those descriptions respectively, and in relation to employers, in the second column of that Schedule; and accordingly, as from the appointed day, the provisions contained in the Third Schedule to this Act shall be substituted for the provisions contained in Parts I to IV of the First Schedule to the Act of 1946 (which specify the weekly rates of contributions payable by insured persons and employers).

(4) References in this section to the weekly rates of contributions payable under the National Insurance Acts are references to those rates apart from any modifications thereof by virtue of any regulations made under those Acts.

Supplementary provisions.

3.—(1) Subject to the following provisions of this section, all the provisions of the National Insurance Acts, except subsection (1) of section thirty-five of the Act of 1946 (which provides that contributions shall be paid into the National Insurance Fund), shall have effect (for the purposes of those Acts as well as for the purposes of this Act)—

(*a*) in relation to a person who is liable as an insured person to pay a national health service contribution for a contribution week, as if that contribution, and the contribution paid or payable by him for that week under the National Insurance Acts, together constituted one combined contribution payable by him under those Acts for that week, and

(*b*) in relation to a person who is liable as an employer to pay a national health service contribution in respect of a person for a contribution week, as if that contribution, and the contribution payable by him for that week under the National Insurance Acts in respect of that person, together constituted one combined contribution payable by him under those Acts in respect of that person for that week,

and (in either case) as if the whole of the combined contribution in question were payable into the National Insurance Fund.

(2) Except in so far as may be otherwise provided by any Order in Council or regulations made under the National Insurance Acts after the passing of this Act, the preceding subsection shall apply in relation to Orders in Council and regulations made under those Acts, whether before or after the passing of this Act, as it applies in relation to the provisions of those Acts other than subsection (1) of the said section thirty-five.

(3) Nothing in the preceding provisions of this section shall be construed—

(*a*) as excepting any person who pays, or is liable to pay, contributions under the National Insurance Acts, or as conferring any power to except any such person, from liability to pay national health service contributions; or

(*b*) as conferring any power to modify the rates of national health service contributions in relation to any class of persons.

(4) References in any enactment, other than the National Insurance Acts and the enactments relating to income tax, to contributions under those Acts, or to sums due to or payable into the National Insurance Fund, shall be construed as including references to national health service contributions.

(5) Notwithstanding anything in the preceding provisions of this section, where a person has paid in error—

(*a*) contributions under the National Insurance Acts, and

(*b*) national health service contributions,

and he or any other person has received any benefit under those Acts which, under any provision of those Acts or of regulations made thereunder, may be deducted from any repayment of the contributions paid in error under those Acts, nothing in those Acts or regulations shall be construed as authorising that benefit to be deducted from any repayment of the national health service contributions paid in error.

(6) This Act binds the Crown, and accordingly section fifty-six of the Act of 1946 (which relates to persons employed by or under the Crown), and section fifty-seven of that Act (which relates to members of Her Majesty's forces), and any Order in Council or regulations made under either of those sections, shall have effect in accordance with the preceding provisions of this section.

(7) The Minister of Health and the Secretary of State may jointly make regulations specifying a class of masters or members of the crews of foreign-going ships (as defined by the regulations) and either—

(*a*) excepting employers from liability to pay national health service contributions in respect of persons of that class, or

(*b*) reducing, to such extent as may be specified in the regulations, the rates of national health service contributions payable by employers in respect of persons of that class;

and different provision may be made by regulations under this subsection in respect of different classes of persons.

(8) The power to make regulations under the last preceding subsection shall be exercisable by statutory instrument; and any instrument containing any such regulations shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Financial provisions.

4.—(1) The Minister of Pensions and National Insurance shall, out of the moneys received by him on account of national health service contributions, retain such sums as the Treasury may from time to time determine in respect of his expenses attributable to the collection and application of the contributions; and all sums so retained by him shall be paid into the Exchequer.

(2) The Minister of Pensions and National Insurance shall account to the Minister of Health and the Secretary of State for such sums as the Minister of Pensions and National Insurance may from time to time estimate, in such manner as the Treasury may direct, to represent the shares of national health service contributions apportioned to them respectively in accordance with subsection (4) of section one of this Act, subject to the deduction from each of those shares of the proportion attributable thereto of the sums retained by the Minister of Pensions and National Insurance under the last preceding subsection; and the Minister of Pensions and National Insurance shall pay to the Minister of Health and the Secretary of State, at such times as the Treasury may direct, the sums for which he is required to account to them in accordance with this subsection.

(3) Any administrative expenses incurred under this Act by the Minister of Pensions and National Insurance, the Minister of Health or the Secretary of State shall be defrayed out of moneys provided by Parliament.

(4) Where in accordance with the provisions of—

(*a*) section sixty-three of the Act of 1946 (which relates to reciprocal arrangements with Northern Ireland) or any regulations made under that section, or

(*b*) any such agreement as is mentioned in section sixty-four of that Act (which relates to reciprocal agreements with other parts of Her Majesty's dominions, or with foreign countries), being an agreement relating to the Isle of Man, or any Order in Council made for the purpose of giving effect to such an agreement,

financial adjustments are made in respect of any class of persons to which this subsection applies, as being persons who pay contributions under the National Insurance Acts but who are to be treated as belonging to Northern Ireland or the Isle of Man, as the case may be, the Minister of Health shall, out of moneys provided by Parliament, pay to the appropriate authority or fund such sums as may be attributable to national health service contributions in respect of that class of persons.

(5) The last preceding subsection applies to the following classes of persons, that is to say,—

(*a*) members of any of Her Majesty's forces;

(*b*) masters and members of the crews of foreign-going ships, as defined for the time being by regulations made under the Act of 1946 as mentioned in section fifty-eight of that Act;

(*c*) any class of persons constituting a part of the class specified in either of the preceding paragraphs.

(6) For the purposes of subsection (4) of this section, the sums attributable to national health service contributions in respect of any class of persons shall be taken to be such sums as may from time to time be estimated, in such manner as the Treasury may direct, to represent the amounts received by the Minister of Pensions and National Insurance on account of national health service contributions paid by or in respect of persons of that class, reduced by that Minister's expenses attributable to the collection and application of those contributions.

(7) In this section " the appropriate authority or fund "—

(*a*) where the financial adjustments in question relate to Northern Ireland, means the Exchequer of Northern Ireland;

(*b*) where the financial adjustments in question relate to the Isle of Man, means such authority or fund as may be designated by the Lieutenant-Governor or Deputy Lieutenant-Governor of the Isle of Man.

Corresponding legislation in Northern Ireland.

5.—(1) Subject to the next following subsection, no limitation or restriction imposed by virtue of any enactment on the powers of the Parliament of Northern Ireland shall preclude that Parliament from passing legislation for purposes similar to the purposes of any of the provisions of this Act.

(2) Nothing in this section shall authorise the Parliament of Northern Ireland to require any contribution to be paid by or in respect of any person in respect of his service or employment as a member of any of Her Majesty's forces.

Interpretation. 9 & 10 Geo. 6. c. 67.

6.—(1) In this Act "the Act of 1946" means the National Insurance Act, 1946, "the appointed day" means such day as the Minister of Health and the Secretary of State may jointly appoint by order made by statutory instrument, and "Her Majesty's forces" includes any such organisation as is mentioned in subsection (4) of section fifty-seven of the Act of 1946 (which relates to certain organisations under the control of the Admiralty, the Army Council or the Air Council).

(2) Subject to the preceding subsection, expressions used in this Act and in the National Insurance Acts have the same meanings in this Act as in those Acts.

(3) Except in so far as the context otherwise requires, any reference in this Act to an enactment shall be construed as a reference to that enactment as amended by or under any other enactment, including this Act.

Short title, citation and extent.

7.—(1) This Act may be cited as the National Health Service Contributions Act, 1957.

(2) Sections two and three of this Act, and the Second and Third Schedules thereto, and the National Insurance Acts, 1946 to 1956, may be cited together as the National Insurance Acts, 1946 to 1957.

(3) Without prejudice to the operation, in relation to any matters arising out of this Act, of any provisions of the National Insurance Acts relating to Northern Ireland, this Act, except sections five and six thereof, shall not extend to Northern Ireland.

SCHEDULES

Section 1.

FIRST SCHEDULE

RATES OF NATIONAL HEALTH SERVICE CONTRIBUTIONS

Description of person	*Weekly rate of contribution* s. d.
1. Employed men between the ages of 18 and 70, not including men over the age of 65 who have retired from regular employment	1 4½
2. Employed women between the ages of 18 and 65, not including women over the age of 60 who have retired from regular employment	1 0½
3. Employed boys and girls under the age of 18 ...	8½
4. Employers	3½
5. Self-employed men between the ages of 18 and 70, not including men over the age of 65 who have retired from regular employment	1 8
6. Self-employed women between the ages of 18 and 65, not including women over the age of 60 who have retired from regular employment	1 4
7. Self-employed boys and girls under the age of 18 ...	1 0
8. Non-employed men between the ages of 18 and 65	1 8
9. Non-employed women between the ages of 18 and 60	1 4
10. Non-employed boys and girls under the age of 18	1 0

Sections 2, 7.

SECOND SCHEDULE

REDUCTION OF NATIONAL INSURANCE CONTRIBUTIONS

Description of person	*Reduction of weekly rate of contribution*
1. Employed men between the ages of 18 and 70, not including men over the age of 65 who have retired from regular employment	8½d.
2. Employed women between the ages of 18 and 65, not including women over the age of 60 who have retired from regular employment	6½d.
3. Employed boys and girls under the age of 18 ...	4½d.
4. Employers	1½d.
5. Self-employed men between the ages of 18 and 70, not including men over the age of 65 who have retired from regular employment	10d.
6. Self-employed women between the ages of 18 and 65, not including women over the age of 60 who have retired from regular employment	8d.
7. Self-employed boys and girls under the age of 18	6d.
8. Non-employed men between the ages of 18 and 65	10d.
9. Non-employed women between the ages of 18 and 60	8d.
10. Non-employed boys and girls under the age of 18...	6d.

THIRD SCHEDULE

Sections 2, 7.

PROVISIONS TO BE SUBSTITUTED IN FIRST SCHEDULE TO NATIONAL INSURANCE ACT, 1946

CONTRIBUTION RATES

PART I

EMPLOYED PERSONS

Description of employed person	Weekly Rate of Contribution
	s. d.
Men between the ages of 18 and 70 (not including men over the age of 65 who have retired from regular employment)—	
Earning remuneration at a weekly rate exceeding 60s.	5 7½
Earning remuneration at a weekly rate of 60s. or less	2 11½
Women between the ages of 18 and 65 (not including women over the age of 60 who have retired from regular employment)—	
Earning remuneration at a weekly rate exceeding 60s.	4 8½
Earning remuneration at a weekly rate of 60s. or less	2 6½
Boys under the age of 18	3 3½
Girls under the age of 18	2 8½

For the purposes of this Part and Part II of this Schedule a person shall be deemed to be earning remuneration at a weekly rate of sixty shillings or less if, but only if, his remuneration does not include the provision of board and lodging by the employer and the rate of the remuneration neither exceeds nor is deemed in accordance with regulations made under subsection (5) of section seventy-eight of this Act to exceed sixty shillings a week, and to be earning remuneration at a weekly rate exceeding sixty shillings in any other case.

3RD SCH. —*cont.*

PART II

EMPLOYERS

Description of employed person	Weekly Rate of Contribution
	s. d.
Men over the age of 18—	
Earning remuneration at a weekly rate exceeding 60s. or not being liable to pay a contribution as an employed person	5 4½
Earning remuneration at a weekly rate of 60s. or less and being liable to pay a contribution as an employed person	8 0½
Women over the age of 18—	
Earning remuneration at a weekly rate exceeding 60s. or not being liable to pay a contribution as an employed person	4 5½
Earning remuneration at a weekly rate of 60s. or less and being liable to pay a contribution as an employed person	6 7½
Boys under the age of 18	3 1½
Girls under the age of 18	2 6½

For the purpose of this Part of this Schedule a person over pensionable age, not being an insured person, shall be treated as an employed person if he would be an insured person were he under pensionable age and would be an employed person were he an insured person.

PART III

SELF-EMPLOYED PERSONS

Description of self-employed person	Weekly Rate of Contribution
	s. d.
Men between the ages of 18 and 70 (not including men over the age of 65 who have retired from regular employment)	7 7
Women between the ages of 18 and 65 (not including women over the age of 60 who have retired from regular employment)	6 6
Boys under the age of 18	4 4
Girls under the age of 18	3 9

PART IV

NON-EMPLOYED PERSONS

3RD SCH. —*cont.*

Description of non-employed person	Weekly Rate of Contribution
	s. d.
Men between the ages of 18 and 65	5 8
Women between the ages of 18 and 60	4 6
Boys under the age of 18	3 3
Girls under the age of 18	2 7

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