STATUTORY INSTRUMENTS

1974 No. 2035

SOCIAL SECURITY

The Social Security (Contributions) Amendment (No. 2) Regulations 1974

Laid before Parliament in draft

Made - - - -	*3rd December* 1974
Coming into Operation	*9th December* 1974

Whereas a draft of the following regulations was laid before Parliament and approved by a resolution of each House of Parliament:

Now, therefore, the Secretary of State for Social Services in conjunction with the Treasury so far as relates to matters with regard to which the Treasury have so directed(a) in exercise of powers conferred upon her by sections 1(10), 2(5), 5(9) and (10), 6, 40(3) and (4), 41(1), 43(1), and 99(14) of, and Schedule 1, paragraphs 4(*a*) and 6(1)(*c*), (*f*), (*h*), (*j*) and (*m*), and Schedule 26, paragraph 4 and 6(1) to, the Social Security Act 1973(b) and of all other powers enabling her in that behalf, hereby makes the following regulations:—

Citation, interpretation and commencement

1. These regulations, which may be cited as the Social Security (Contributions) Amendment (No. 2) Regulations 1974, shall be read as one with the Social Security (Contributions) Regulations 1973(c), as amended(d) (hereinafter referred to as "the principal regulations") and shall come into operation seven days after they have been approved by resolution of each House of Parliament.

Addition to Part VII of the principal regulations

2. After regulation 60 of the principal regulations there shall be added as regulations 61 to 68 the provisions set out in Schedule A to these regulations (and regulations 61 to 63 of the said principal regulations shall be renumbered 69 to 71).

Addition of new Part VIII to the principal regulations

3. After the provisions of Part VII of the principal regulations there shall be inserted as Part VIII the provisions set out in Schedule B to these regulations

(a) *See* section 96(6) of the Social Security Act 1973.
(b) 1973 c. 38.
(c) 1973/1264 (1973 II, p. 3750).
(d) S.I. 1974/988 (1974 II, p. 3695).

(and the Parts previously numbered VIII and IX shall be renumbered IX and X respectively and the regulations therein shall respectively be renumbered 98 to 104 and 105 to 107).

Addition of new Schedules 5, 6 and 7 to the principal regulations

4. After Schedule 4 to the principal regulations there shall be inserted as Schedules 5, 6 and 7 the provisions respectively set out in Schedules C, D and E to these regulations (and the Schedule previously numbered 5 shall be renumbered 8).

Consequential and minor amendments of the principal regulations

5. The provisions of the principal regulations specified in the first column of Schedule F to these regulations shall be amended as specified in the second column of that Schedule.

Barbara Castle,
Secretary of State for Social Services.

3rd December 1974.

James A. Dunn,
Donald R. Coleman,
Two of the Lords Commissioners of Her Majesty's Treasury.

3rd December 1974.

SCHEDULE A Regulation 2

The following provisions are by virtue of regulation 2 of these regulations to be inserted in Part VII of the principal regulations immediately after regulation 60 thereof.

Class 4 liability of earners treated as self-employed earners who, but for such treatment, would be employed earners

61.—(1) Subject to the following provisions of this regulation and to the provisions of regulation 66 of these regulations (annual maximum of special Class 4 contributions), where—

(*a*) an earner, in respect of any one or more employments of his, is treated by regulations under section 1(8)(*b*) of the Act (treatment of a person in employment of any prescribed description as falling in one or other of the categories of earner) as being self-employed; and

(*b*) in any year he has earnings from any such employment (one or more) which fall within section 3(4)(*b*)(i) of the Act (higher weekly rate of Class 2 contributions), but is not liable for a higher weekly rate of Class 2 contributions by virtue of regulations under that subsection; and

(*c*) those earnings are chargeable to income tax under Schedule E; and

(*d*) the total of those earnings exceeds the sum specified in section 5(9)(*c*) of the Act,

he shall be liable, in respect of those earnings, to pay a Class 4 contribution (hereinafter in this Part of these regulations referred to as a special Class 4 contribution) of an amount equal to the percentage specified in subsection (9) of section 5 of the Act of so much of the total as exceeds the lower, and does not exceed the higher, of the money sums specified from time to time in that subsection.

(2) Any earner shall be excepted from liability for a special Class 4 contribution for any year at the beginning of which he is over pensionable age and either—

(*a*) has retired from regular employment; or

(*b*) has not retired from regular employment, but does not satisfy the contribution conditions for a category A retirement pension.

Notification of insurance number and recording of category letter on deduction card

62.—(1) Any earner to whom the last foregoing regulation applies shall, on request, notify his national insurance number to the person who pays him the earnings referred to in that regulation.

(2) The person who pays the said earnings shall record on the earner's deduction card the earner's national insurance number, and the appropriate category letter as indicated by the Secretary of State.

(3) In this regulation "deduction card" has the same meaning as in Schedule 3 to these regulations.

Calculation of earnings for the purposes of special Class 4 contributions

63. For the purpose of the calculation of an earner's liability for a special Class 4 contribution for any year—

(*a*) the earnings of that earner for that year shall, subject to the provisions of paragraph (*b*) of this regulation, be calculated by the Secretary of State on the basis that they are earnings to which regulations 16 and 17 of these regulations (calculation of earnings for the purposes of earnings-related contributions and payments to be disregarded) apply;

(*b*) in the calculation of the earnings as aforesaid, if the total amount of the earnings for the year includes a fraction of £1·00, that fraction shall be disregarded.

Notification and payment of special Class 4 contributions due

64. The Secretary of State shall give notice to the earner specified in the last preceding regulation of the special Class 4 contribution due from him for any year, and the earner shall pay that contribution to the Secretary of State within the period of 28 days from the receipt of the notice unless before the expiry of that period the earner has raised a question under section 84(1)(*b*)(ii) of the Act (Secretary of State's questions) relating to that contribution.

Recovery of deferred Class 4 and special Class 4 contributions after appeal, claim or further assessment under the Income Tax Acts or after the raising of a Secretary of State's question

65.—(1) Where the Secretary of State has been notified that there has been such a claim or appeal as is specified in regulation 57(6)(*a*) of these regulations (recovery of Class 4 contributions after deferment) or there has been raised such a question as is specified in regulation 57(6)(*b*) or in the last foregoing regulation or the Inland Revenue has certified in accordance with regulation 57(7) an altered amount of an earner's profits or gains—

(*a*) the Secretary of State shall, as soon as may be after the prescribed time, give to the earner notice or, as the case may be, revised notice of such contributions as might, having regard to the final decision on the claim or appeal or, as the case may be, the final decision of the Secretary of State's question or the said altered amount of profits or gains, be due from the earner—

(i) under section 5(1) of the Act (Class 4 contributions) for the year or years to which the certificate referred to in the said regulation 57 relates; or, as the case may be,

(ii) by way of a special Class 4 contribution for the year to which the notice specified in the last foregoing regulation relates; and

(*b*) the earner shall within 28 days of receipt of that notice pay to the Secretary of State the contribution or contributions specified in that notice.

(2) In this regulation the expression "prescribed time" means—

(*a*) except where sub-paragraph (*c*) of this paragraph applies—

(i) in the case of an appeal out of time, the date of the determination of the appeal;

(ii) in the case of a claim or appeal against a decision on a claim made under the Income Tax Acts, the date on which the time for appealing against the decision on the claim expires, or the date of the determination of the appeal, whichever is the later;

(*b*) in the case of a question being raised for decision by the Secretary of State, the date on which the time for appealing against that decision expires or the date of the determination of the appeal, whichever is the later;

(*c*) in the case of an altered amount of profits or gains being certified by the Inland Revenue, the date on which they are so certified.

Annual maximum of special Class 4 contributions

66. Where for any year there are payable (or, but for the provisions of this regulation, there would be payable) by or in respect of an earner a special Class 4 contribution and also any contribution under section 5(1) of the Act (in this regulation referred to as

"Class 4 contribution") or any primary Class 1 contribution or any Class 2 contribution, or any combination of such contributions, the maximum amount of the special Class 4 contributions payable for that year shall (without prejudice to the earner's liability in the first instance for the full amount payable apart from this regulation) not exceed in value—

(*a*) in the case of a special Class 4 contribution and a Class 4 contribution, the amount (if any) equal to the difference between the maximum amount of a special Class 4 contribution for which provision is made in section 5(9) of the Act and the amount of the Class 4 contributions ultimately payable for that year; or, subject as aforesaid,

(*b*) in any other case specified in this regulation (whether or not a Class 4 contribution is also payable), the amount (if any) equal to the difference between the maximum amount prescribed in regulation 58 of these regulations (annual maximum of Class 4 contributions) and the amount of such Class 4, primary Class 1 and Class 2 contributions as are ultimately payable for that year.

Disposal of special Class 4 contributions paid in excess or error

67. Where any payment has been made by a person as on account of a special Class 4 contribution and that payment has been made in excess of the amount prescribed under the last preceding regulation, or has been made in error, the Secretary of State may treat that payment as made on account of other contributions properly payable by that person under the Act.

Return of special Class 4 contributions paid in excess or error

68.—(1) Subject to the provisions of the last foregoing regulation and to the following provisions of this regulation, where any payment has been made by a person as on account of a special Class 4 contribution and that payment has been made in excess of the amount prescribed in regulation 66 of these regulations (annual maximum for special Class 4 contributions) or in error, that payment shall be returned by the Secretary of State to that person, unless the net amount to be returned does not exceed in value £0·50, if application is made in writing to the Secretary of State within the time specified in paragraph (3) of this regulation.

(2) In calculating the amount of any return of special Class 4 contributions to be made under the last preceding paragraph of this regulation there shall be deducted the amount (if any) treated under the last foregoing regulation as paid on account of other contributions.

(3) Any person desiring to apply for the return of a special Class 4 contribution shall make the application in such form and in such manner as the Secretary of State may from time to time determine, and within the period of 6 years from the end of the year in which the contribution was paid or, if the Secretary of State is satisfied that the person making the application had good cause for not making it within the said period, within such longer period as the Secretary of State may allow.

Regulation 3 SCHEDULE B

The following provisions are by virtue of regulation 3 of these regulations to be inserted in the principal regulations as Part VIII thereof.

PART VIII

Special Categories of Earners

CASE A—AIRMEN

Interpretation

72. In the provisions of this Case, unless the context otherwise requires—

"airman" means a person who is, or has been, employed under a contract of service either as a pilot, commander, navigator or other member of the crew of any aircraft, or in any other capacity on board any aircraft where—

(*a*) the employment in that other capacity is for the purposes of the aircraft or its crew or of any passengers or cargo or mails carried thereby; and

(*b*) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the aircraft is in flight;

but does not include a person in so far as his employment is as a serving member of the forces;

"British aircraft" means any aircraft belonging to Her Majesty and any aircraft registered in the United Kingdom of which the owner (or managing owner if there is more than one owner) resides or has his principal place of business in Great Britain, and references to the owner of an aircraft shall, in relation to an aircraft which has been hired, be taken as referring to the person for the time being entitled as hirer to possession and control of the aircraft by virtue of the hiring or any subordinate hiring.

Modification of employed earner's employment

73.—(1) Subject to the following provisions of this regulation, where an airman is employed as such on board any aircraft, and the employer of that airman or the person paying the airman his earnings in respect of the employment (whether or not the person making the payment is acting as agent for the employer) or the person under whose directions the terms of the airman's employment and the amount of the earnings to be paid in respect thereof are determined has—

(*a*) in the case of the aircraft being a British aircraft, a place of business in Great Britain; or

(*b*) in any other case, his principal place of business in Great Britain;

then, notwithstanding that the airman does not fulfil the conditions of section 1(7) of the Act (definition of employed earner), he shall be treated as employed in employed earner's employment.

(2) Subject to the provisions of the next succeeding paragraph, notwithstanding that an airman is employed in an employment to which the provisions of the last foregoing paragraph applies, if that airman is neither domiciled nor has a place of residence in Great Britain no contributions shall be payable by or in respect of him as an employed earner.

(3) The provisions of the last foregoing paragraph shall have effect subject to any Order in Council giving effect to any reciprocal agreement made under section 50 of the Act (reciprocal agreements with other countries).

Application of the Act and regulations

74. The provisions of Part I of the Act and of the regulations made thereunder relating to contributions shall, so far as they are not inconsistent with the provisions of this Case, apply to an airman with the modification that, where an airman is, on account of his being outside Great Britain by reason of his employment as an airman, unable to perform an act required to be done either forthwith or upon the happening of a certain event or within a specified time, he shall be deemed to have complied therewith if he performs the act as soon as is reasonably practicable, although after the happening of the event or the expiration of the specified time.

Special transitional provision

75. For the purpose of facilitating the winding up of the system of insurance contained in the former principal Act and the disposal of matters connected with that system the following provisions of the National Insurance (Airmen) Regulations 1948(a), as amended(b), shall continue to have effect, that is to say regulation 3 (return of contributions in respect of non-domiciled airmen employed as aircrew), regulation 8 (breach of regulations) and, in so far as it relates to contributions under the former principal Act, regulation 9 (application of former principal Act and regulations).

CASE B—MARINERS

Interpretation

76. In the provisions of this Case—

"British ship" means—

(*a*) any ship or vessel belonging to Her Majesty; or

(*b*) any ship or vessel whose port of registry is a port in Great Britain or in the case of a hovercraft which is registered in Great Britain;

"foreign-going ship" means any ship or vessel which is not a home-trade ship;

"home-trade ship" includes—

(*a*) every ship or vessel employed in trading or going within the following limits, that is to say, the United Kingdom (including for this purpose the Republic of Ireland), the Channel Islands, the Isle of Man, and the continent of Europe between the river Elbe and Brest inclusive;

(*b*) every fishing vessel not proceeding beyond the following limits:—
on the South, Latitude 48° 30′ N.;
on the West, Longitude 12° W.;
on the North, Latitude 61° N.;

"managing owner" means that owner of any ship or vessel who, where there is more than one such owner, is responsible for the control and management of that ship or vessel;

"mariner" means a person who is or has been in employment under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel where—

(*a*) the employment in that other capacity is for the purposes of that ship or vessel or her crew or any passengers or cargo or mails carried thereby; and

(a) S.I. 1948/1466 (1948 I, p. 2616).
(b) There is no relevant amending instrument.

(*b*) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on her voyage;

but does not include a person in so far as his employment is as a serving member of the forces;

"owner", in relation to any ship or vessel, means the person to whom the ship or vessel belongs and who, subject to the right of control of the captain or master of the ship or vessel, is entitled to control of that ship or vessel, and references to the owner of a ship or vessel shall, in relation to a ship or vessel which has been demised, be construed as referring to the person who for the time being is entitled as charterer to possession and, subject as aforesaid, control of the ship or vessel by virtue of the demise or any sub-demise;

"passenger" has the same meaning as is assigned to that word in the Merchant Shipping (Safety Convention) Act 1949(a);

"pay period" in relation to any payment of a mariner's earnings means the period in respect of which the payment is made;

"radio officer" means a mariner employed in connection with the radio apparatus of any ship or vessel and holding a certificate of proficiency in radio telegraphy granted by the Minister of Posts and Telecommunications or by an authority empowered in that behalf by the legislature of some part of the Commonwealth or of the Republic of Ireland and recognised by the said Minister as equivalent to the like certificate granted by him;

"ship or vessel" for the purposes of the provisions of this Case other than those of regulations 79 to 85 and 87 includes hovercraft;

"voyage period" means a pay period comprising an entire voyage or series of voyages (including any period of leave on pay which immediately follows the day on which the termination of that voyage or series of voyages occurs);

"week" means a period of 7 consecutive days and "weekly" shall be construed accordingly.

Conditions of domicile or residence

77.—(1) Subject to the provisions of paragraph (2) of this regulation, as respects any employment of a person as a mariner and liability for payment of any contribution under the Act as an employed earner by or on behalf, or in respect, of that mariner in respect of that employment—

(*a*) the provisions of Case D of these regulations relating to conditions as to residence or presence in Great Britain shall not apply; but

(*b*) it shall be a condition of liability to pay a basic scheme contribution that the mariner is domiciled or resident in Great Britain; and

(*c*) it shall be a condition of liability to pay a secondary basic scheme contribution that the secondary contributor is resident or has a place of business in Great Britain.

(2) The foregoing provisions of this regulation shall have effect subject to any Order in Council giving effect to any reciprocal agreement made under section 50 of the Act (reciprocal agreements with other countries).

Modification of employed earner's employment

78. Where a mariner—

(*a*) is employed as such and—

(i) the employment is on board a British ship; or

(a) 1949 c. 43.

(ii) the employment is on board a ship and the contract in respect of the employment is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on her voyage; and, in either case,

(iii) the person by whom the mariner's earnings are paid, or, in the case of employment as a master or member of the crew of a ship or vessel, either that person or the owner of the ship or vessel (or the managing owner if there is more than one owner) has a place of business in Great Britain; or

(*b*) is employed as a master, member of the crew or as a radio officer on board any ship or vessel, not being a mariner to whom the last preceding paragraph applies, and,

(i) in the case of the employment being as a radio officer, if the contract under which the employment is performed is entered into in the United Kingdom, the employer or the person paying the radio officer his earnings for that employment has a place of business in Great Britain, or,

(ii) in the case of the employment being as a master, member of the crew or as a radio officer, if the contract is not entered into in the United Kingdom, the employer or the person paying the earnings has his principal place of business in Great Britain,

then, notwithstanding that he does not fulfil the conditions of section 1(7) of the Act (definition of employed earner), the employment of that mariner as aforesaid shall be treated as employed earner's employment.

Modification of section 2(6)(*b*) *of the Act*

79.—(1) As respects earnings paid to or for the benefit of a mariner for employment as such in any employment specified in the following provisions of this regulation, being employment which by virtue of the last preceding regulation is treated as employed earner's employment, the provisions of section 2(6)(*b*) of the Act (secondary basic scheme contributions) shall be modified as follows:—

(*a*) where the employment is of a person as a mariner, and at the time of the payment of the earnings the provisions of article 3 of the Redundancy Payments (Merchant Seamen Exclusion) Order 1973(**a**) (exclusion of certain mariners from application of section 1 of the Redundancy Payments Act 1965(**b**)) applies to that person, the percentage rate specified in the said section 2(6)(*b*) shall be reduced by 0·2;

(*b*) where the employment is as master or member of the crew of a ship, and

(i) the employment is on a foreign-going ship and the payment of earnings is exclusively in respect of that employment, or

(ii) the employment is partly on a foreign-going ship and partly otherwise than on such a ship and the payment of earnings in respect of that employment is made during the employment on the foreign-going ship,

the said percentage rate shall be reduced or, as the case may be, further reduced by 0·7.

(2) In the last foregoing paragraph the word "employment" shall include any period of leave, other than leave for the purpose of study, accruing from the employment.

Earnings period for mariners

80.—(1) Subject to the provisions of the next succeeding paragraph, for the purpose of assessing the amount, if any, of earnings-related contributions payable in respect of earnings paid to or for the benefit of a mariner in respect of his employment as such, where a pay period is a voyage period, that period shall be the earnings period.

(**a**) 1973/1281 (1973 II, p. 3887). (**b**) 1965 c. 62.

(2) Where such voyage period—

(*a*) is less than a week, that period shall for the said purpose be treated as a week;

(*b*) exceeds a week or a whole multiple of a week by a part of a week,

(i) if that part of a week is a period in excess of 3 days, that part of a week shall for the said purpose be treated as a week;

(ii) if that part of a week is a period of 3 days or less, that part of the week shall be disregarded (and the mariner's earnings in respect of his employment as such during that part of a week shall, for the said purpose, be treated as paid for employment in the week immediately preceding that part of a week).

Calculation of earnings-related contributions for mariners

81.—(1) For the purpose of the calculation of earnings-related contributions payable in respect of earnings paid to or for the benefit of a person in respect of that person's employment as a mariner—

(*a*) the provisions of regulation 7(1) of these regulations (calculation of earnings-related contributions) shall apply;

(*b*) in the alternative, paragraphs (2), (3), (4) and (5) of that regulation and Schedule 1 to these regulations shall, except in relation to secondary contributions payable at a rate reduced in accordance with the provisions of regulation 79 of these regulations, apply as if the references in the said paragraphs (2) and (4) to a week and in the said Schedule to weekly scale were references to a week or, as the case may be, to a weekly scale within the meaning of this Case.

(2) Subject to the provisions of the said paragraph (5), where the secondary contribution is payable at a rate reduced in accordance with the provisions of the said regulation 79, that contribution may be calculated in accordance with the scale prescribed in Part I or, as the case may be, Part II of Schedule 5 to these regulations in accordance with the following provisions of this regulation:—

(*a*) in respect of any amount shown in column 1 of the said Schedule 5 there shall be payable the amount shown opposite thereto—

(i) in column 2 of the said Schedule, in the case of a contribution payable at the rate reduced under the provisions of paragraph (1) (*a*) of the said regulation 79;

(ii) in column 3 of the said Schedule, in the case of a contribution payable at the rate reduced under the provisions of paragraph (1) (*b*) of the said regulation 79;

(iii) in column 4 of the said Schedule, in the case of a contribution payable at the rate reduced under the provisions of paragraph (1) (*a*) and (*b*) of the said regulation 79:

(*b*) where any payment of an amount of earnings is not shown in the said column 1 the amount of contributions payable shall be calculated by reference to the next smaller amount, if any, in that column.

Change of circumstances etc. affecting calculation of mariner's earnings for contributions purposes

82. In any case where, as respects earnings paid to or for the benefit of a mariner in respect of his employment as such, earnings-related contributions are collected in accordance with the provisions of Part V of Schedule 3 to these regulations, for the purpose of calculating the amount of those earnings in respect of that employment during any pay period to which the provisions of regulation 80 of these regulations apply and the amount (if any) of earnings-related contributions payable in respect of those earnings, where during that period there occurs a change of circumstance (other than a change of the amount of the mariner's earnings) or the happening of an event under the Act which, in either case, affects such calculation, such change or happening

shall, for the said purpose, notwithstanding that that mariner's earnings period is not a period of a week, have effect from the date from which it would have had effect if that period had been a week.

Prescribed secondary contributors

83. In relation to any payment of earnings to or for the benefit of a mariner in respect of employment to which the provisions of regulation 78 of these regulations applies, where the person employing the mariner does not satisfy the conditions specified in regulation 77(1)(*c*) of these regulations, but the person who pays the mariner those earnings does satisfy either of those conditions, that person shall be treated as the secondary contributor, whether or not he makes the payment as agent for the employer.

Payments to be disregarded

84.—(1) Without prejudice to the generality of the provisions of regulation 17 of these regulations and subject to the provisions of the next succeeding paragraph, for the purposes of earnings-related contributions, there shall be excluded from the computation of a person's earnings any payment in so far as it is—

(*a*) in the case of the payment being in respect of employment as a seaman within the meaning of Part V of Schedule 3 to these regulations, either—

(i) an interim payment of earnings by way of an advance, or

(ii) a payment to some other person of any part of such a seaman's earnings allotted by him to that person;

(*b*) in the case of the payment being in respect of employment as a mariner—

(i) a payment of a special payment while sick abroad (as defined by the National Maritime Board);

(ii) a payment to him by the Department of Trade with the consent of his employer in accordance with the provisions of the Merchant Shipping Act 1906**(a)** (wages and effects of a seaman who is left behind) in respect of wages deposited owing to a mariner's failure to rejoin his ship.

(2) Nothing in sub-paragraph (*a*) of the last foregoing paragraph shall be construed as preventing any sum deducted on account of any such payment as is specified in that sub-paragraph from another payment of earnings being treated as comprised in those earnings.

Special payments to mariners after terminal payment

85.—(1) This regulation shall relate only to earnings-related contributions collected in accordance with the provisions of Part V of Schedule 3 to these regulations and in this regulation—

(*a*) "terminal payment" means a payment of earnings to a mariner in respect of his employment as such at or following the end of a voyage by way of general settlement of the mariner's earnings for that voyage (or, where the voyage includes more than one pay period, for the last of those pay periods);

(*b*) "quarterly calculated payment" means a payment for a pay period of 3 months or a payment of earnings of which the whole or the greater part is calculated by reference to one or more periods of 3 months;

(*c*) "monthly calculated payment" means a payment for a pay period of a month or a payment of earnings, not being a quarterly calculated payment, of which the whole or the greater part is calculated by reference to a month or months;

(*d*) "weekly calculated payment" means a payment of remuneration which is not a quarterly or monthly calculated payment.

(a) 1906 c. 48.

(2) Where earnings for overtime work as a mariner earned in any of the last 6 days of a voyage are not included in the terminal payment, then, in respect of any subsequent payment on account of those earnings (not being a payment of less than £1·00) and subject to regulations 84 and 87 of these regulations, the secondary contributor and the mariner shall each be liable to pay an earnings-related contribution of the difference (if any) between the following amounts, that is to say—

(*a*) the amount which he would, in accordance with the provisions of regulation 7 or, as the case may be, regulation 79 of these regulations but disregarding the provisions of this regulation, have been liable to pay in respect of the terminal payment if it had included the earnings for the said overtime work; and

(*b*) the amount which he is or was liable to pay in accordance with the said regulation 7 or the said regulation 79 in respect of the terminal payment.

(3) Except for payments to which the provisions of the last foregoing paragraph apply and subject to the provisions of regulations 84 and 87 of these regulations an earnings-related contribution shall be payable in accordance with the provisions of the succeeding paragraphs of this regulation in respect of any payment of earnings made to a mariner in respect of his employment as such which either—

(*a*) is not made before or included in the terminal payment, or

(*b*) is made before the terminal payment otherwise than through the master of the ship or vessel or other person from whom the mariner is to receive the terminal payment,

(which payment of earnings is hereinafter in this regulation referred to as an "employer's payment").

(4) Notwithstanding the provisions of the last foregoing paragraph, any payment which is made at the same time as a payment of earnings to which the said regulation 7 or, as the case may be, the said regulation 79 applies shall not be treated as an employer's payment, but shall be treated for the purposes of the said regulation 7 or, as the case may be, the said regulation 79 as if it were earnings for the pay period in respect of which that other payment is made.

(5) Subject to the provisions of the next succeeding paragraph, in respect of any employer's payment an employer shall be liable to pay earnings-related contributions as modified by the said regulation 79—

(*a*) if the terminal payment is or is to be a weekly calculated payment, as if the employer's payment were for a pay period of one week;

(*b*) if the terminal payment is or is to be a monthly calculated payment, as if the employer's payment were for a pay period of one month; and

(*c*) if the terminal payment is or is to be a quarterly calculated payment, as if the employer's payment were for a pay period of 3 months.

(6) The earnings-related contributions payable in a case to which the last foregoing paragraph applies shall be determined—

(*a*) if the mariner is still in the employment of the employer making the employer's payment at the time that payment is made, as if, in respect of the pay period of one week or one month or 3 months, as the case may be, the employer in addition had paid his basic wage to the mariner and appropriate earnings-related contributions on behalf and in respect of him in respect of that basic wage; or

(*b*) if the mariner is not still employed by the employer making the employer's payment at the time that payment is made, as if the employer had paid the mariner no other earnings in respect of that pay period.

Application of the Act and regulations

86.—(1) The provisions of Part I of the Act and the regulations made thereunder relating to contributions shall, so far as they are not inconsistent with the provisions of this Case, apply to mariners with this modification, that, where a mariner is, on account of his being at sea or outside Great Britain by reason of his employment as a mariner, unable to perform an act required to be done either forthwith or on the happening of a certain event or within a specified time, he shall be deemed to have complied therewith if he performs the act as soon as is reasonably practicable, although after the happening of the event or the expiration of the specified time.

(2) In relation only to earnings-related contributions collected in accordance with the provisions of Part V of Schedule 3 to these regulations, regulation 15 of these regulations (annual maximum) shall apply to earnings paid to or for the benefit of a mariner for his employment as such, subject to the condition that any payment of earnings for any voyage period, which falls partly in two or more years, shall be apportioned between those years proportionately to the length of the part of the voyage period occurring in each such year.

Special transitional provisions

87.—(1) In any case where earnings-related contributions payable in respect of a mariner's earnings are or, but for the provisions of this regulation, would be collected under the provisions of Part V of Schedule 3 to these regulations and the voyage period begins before the appointed day and ends on or after that day, the following provisions of this regulation shall apply and the provisions of regulation 99 of these regulations shall not apply.

(2) Notwithstanding when payment of earnings is made to or for the benefit of the mariner for his employment during the voyage period, contributions under the former principal Act or, as the case may be, under the Act shall be payable as follows:—

(*a*) where the voyage period begins before 6th March 1975 and ends—

(i) before 6th May 1975—under the former principal Act;

(ii) on or after 6th May 1975—under the former principal Act in respect of so much of the employment as precedes the appointed day and of the earnings paid for the employment before that day, and under the Act on so much of the earnings paid for the employment on and after that day;

(and for the purposes of the provisions of the last two foregoing heads the provisions of the former principal Act and the regulations made thereunder relating to liability for, assessment, payment, collection and recovery of, mariners' and seamen's graduated and flat-rate contributions shall continue in force):

(*b*) where the voyage period begins on or after 6th March 1975 and ends on or after the appointed day—contributions under the Act.

(3) Subject to the provisions of regulation 85 of these regulations and notwithstanding the provisions of Part IX thereof, where under the provisions of head (ii) of the last foregoing paragraph contributions are payable in respect of earnings paid to or for the benefit of a mariner in respect of his employment as such during a voyage period to which the provisions of that head apply, for the purposes of liability for, and calculation of, graduated contributions under the former principal Act and earnings-related contributions under the Act—

(*a*) the voyage period shall be treated as comprising two separate pay periods, the one ending immediately before the appointed day and the other beginning on that day;

(*b*) any payment of earnings in respect of that employment shall, when made, be treated—

(i) in so far as it relates to the employment before the appointed day, as a payment of remuneration made at the end of the first of the two pay periods;

(ii) in so far as it relates to the employment during the second of those two periods, as a payment of earnings made at the end of the second period;

(*c*) no payment so treated as made shall be treated as made at an interval which is not a regular interval;

(*d*) the total payment of earnings for the two periods shall be apportioned between them according to the amount earned in each period.

(4) Where in accordance with the provisions of paragraph (2)(*b*) of this regulation a contribution is payable under the Act in respect of earnings for employment before the appointed day—

(*a*) the provisions of regulation 80 shall apply to those earnings as if the employment before that day had been employment on or after that day;

(*b*) the provisions of regulation 101 of these regulations (contributions treated as paid under the former principal Act) shall apply to that mariner as if the contribution had been paid by virtue of regulation 99(2) of these regulations (treatment of remuneration received on or after the appointed day in respect of employment before that day).

(5) Where, as respects any employment before the appointed day of a person as a mariner (other than a person to whom the foregoing provisions of this regulation apply), a flat-rate contribution under the former principal Act is payable, but under that Act and the regulations made thereunder there was no requirement to pay that contribution until after the appointed day, the provisions of that Act and of those regulations relating to the collection and recovery of such contribution shall continue to apply.

(6) In paragraphs (2) and (5) of this regulation references to the former principal Act shall include references to the Industrial Injuries Acts, the National Health Service Contributions Act 1965**(a)** and the Redundancy Payments Act 1965**(b)**.

CASE C—MEMBERS OF THE FORCES

GENERAL

Establishments and organisations of which Her Majesty's forces are taken to consist

88. Except in relation to the employment in any of the establishments or organisations specified in Part I of Schedule 6 to these regulations of any person specified in Part II of that Schedule, Her Majesty's forces shall, for the purposes of the Act, be taken to consist of the establishments and organisations specified in the said Part I, and the following provisions of this Case shall be construed accordingly.

Reduction of rate of Class 1 contributions

89.—(1) Where, as respects a person who is a serving member of the forces, any Class 1 contribution is payable in respect of that person's earnings as such a member and the amount of the contribution would, but for the provisions of this regulation, be a percentage of those earnings in accordance with the provisions from time to time being of section 2(6) of the Act (percentage rates of Class 1 contributions), the percentage rate of that contribution shall be reduced—

(*a*) in the case of a primary contribution, where the percentage would be

(i) at the standard rate, by 0·8;

(ii) at the reduced rate, by 0·2;

(*b*) in the case of a secondary contribution, by 1·3.

(a) 1965 c. 54. **(b)** 1965 c. 62.

(2) For the purpose of the calculation of the earnings-related contributions payable at a rate reduced in accordance with the provisions of the last foregoing paragraph the provisions of regulation 7(1) of these regulations shall apply.

(3) In the alternative, the contributions specified in paragraph (1) of this regulation may be calculated in accordance with the scales prescribed in Schedule 7 to these regulations and in that case the provisions of regulation 7(2), (3), (4) and (5) of these regulations in so far as they relate to Schedule 1 to these regulations shall apply with the modification that for the references therein to the said Schedule 1 there shall be substituted respectively references to Schedule 7 to these regulations.

Treatment of contributions paid after due date

90. For the purpose of any entitlement to benefit any earnings-related contribution paid after the due date within the meaning of Part IV of these regulations in respect of earnings paid to or for the benefit of a person in respect of his employment as a member of the forces shall be treated as paid on that date.

Special provisions concerning earnings-related contributions

91.—(1) For the purposes of earnings-related contributions, there shall be excluded from the computation of a person's earnings as a serving member of the forces any payment in so far as it is—

(*a*) a payment of or in respect of an Emergency Service grant; or

(*b*) a payment of any sum referred to in section 366 of the Income and Corporation Taxes Act 1970**(a)**; or

(*c*) a payment of a liability bounty in recognition of liability for immediate call-up in times of emergency.

(2) The earnings period for a person who is a serving member of the forces shall be as follows—

(*a*) in the case of a person serving in the regular naval, military or air forces of the Crown, whatever is the accounting period from time to time applying in his case under the Naval Pay Regulations or, as the case may be the Army Pay Warrant, Queen's Regulations for the Army or Queen's Regulations for the Royal Air Force; or

(*b*) in the case of a person undergoing training in any of the establishments or organisations specified in paragraphs 2 to 15 of Part I of Schedule 6 to these regulations, a month.

Application of Part I of the Act and regulations

92. The provisions of Part I of the Act and of regulations made thereunder in relation to contributions shall, in so far as they are not inconsistent with the provisions of this Case, apply in relation to persons who are serving members of the forces with this modification that where any such person is, on account of his being at sea or outside Great Britain by reason of his employment as a serving member of the forces, unable to perform an act required to be done either forthwith or on the happening of a certain event or within a specified time, he shall be deemed to have complied therewith if he performs the act as soon as is reasonably practicable, although after the happening of the event or the expiration of the specified time.

(a) 1970 c. 10.

CASE D—RESIDENCE AND PERSONS ABROAD

Conditions as to residence or presence in Great Britain

93.—(1) Subject to the following provisions of this regulation, for the purposes of section 1(10) of the Act (conditions as to residence or presence in Great Britain for liability or entitlement to pay Class 1 or Class 2 contributions or entitlement to pay Class 3 contributions) the conditions as to residence or presence in Great Britain shall be—

(*a*) as respects liability of an employed earner to pay primary Class 1 contributions in respect of earnings for an employed earner's employment, that the employed earner is resident or present in Great Britain (or but for any temporary absence therefrom would be present therein) at the time of that employment or is then ordinarily resident in Great Britain;

(*b*) as respects liability for secondary Class 1 contributions, that the person who, but for any conditions as to residence or presence in Great Britain (including the having of a place of business therein), would be the secondary contributor (in the following provisions of this Case referred to as "the employer") is resident or present in Great Britain when such contributions become payable or then has a place of business in Great Britain, so however that nothing in this provision shall prevent the employer paying the said contributions if he so wishes;

(*c*) as respects entitlement of a self-employed earner to pay Class 2 contributions, that that earner is present in Great Britain in the contribution week for which the contribution is to be paid;

(*d*) as respects liability of a self-employed earner to pay Class 2 contributions, that the self-employed earner is ordinarily resident in Great Britain or, if he is not so ordinarily resident, that before the period in respect of which any such contributions are to be paid he has been resident in Great Britain for a period of 26 out of the immediately preceding 52 contribution weeks under the Act or the former principal Act or partly under the one and partly under the other;

(*e*) as respects entitlement of a person to pay Class 3 contributions for any year, that that person is resident in Great Britain during the course of that year.

(2) Where a person is ordinarily neither resident nor employed in the United Kingdom and, in pursuance of employment which is mainly employment outside the United Kingdom by an employer whose place of business is outside the United Kingdom (whether or not he also has a place of business therein) that person is employed for a time in Great Britain as an employed earner and but for the provisions of this paragraph the provisions of sub-paragraph (*a*) of the last preceding paragraph would apply, the conditions prescribed in that sub-paragraph and in sub-paragraph (*b*) of that paragraph shall apply subject to the proviso that no primary or secondary Class 1 contribution shall be payable in respect of the earnings of the employed earner for such employment after the date of the earner's last entry into Great Britain and before he has been resident in Great Britain for a continuous period of 52 contribution weeks from the beginning of the contribution week following that in which that date falls.

(3) Where a person to whom the said sub-paragraph (*a*) would otherwise apply is not ordinarily resident in the United Kingdom and is not a person to whom the provisions of the last preceding paragraph apply, the proviso specified in that paragraph shall nevertheless apply if either—

(*a*) during a vacation occurring in a course of full-time studies which that person is pursuing outside the United Kingdom, that person is gainfully employed under a contract of service in Great Britain in temporary employment of a nature similar or related to that course of studies; or

(*b*) there exists between him and some other person outside the United Kingdom a relationship comparable with the relationship between an apprentice and his master in Great Britain and that person is gainfully employed under a contract of service in Great Britain in employment which began before he attained the age of 25 and which is of a nature similar or related to the employment under the said relationship outside the United Kingdom.

Payment of contributions for periods abroad

94.—(1) Where an earner is gainfully employed outside Great Britain, and that employment, if it had been in Great Britain, would have been employed earner's employment, that employment outside Great Britain shall be treated as employed earner's employment for the period for which under paragraph (2)(*a*) of this regulation contributions are payable in respect of the earnings paid to the earner in respect of that employment, provided that—

(*a*) the employer has a place of business in Great Britain, and

(*b*) the earner is ordinarily resident therein, and

(*c*) immediately before the commencement of the employment the earner was resident in Great Britain.

(2) Where under the last preceding paragraph the employment outside Great Britain is treated as an employed earner's employment, the following provisions shall apply in respect of the payment of contributions:—

(*a*) primary and secondary Class 1 contributions shall be payable in respect of any payment of earnings for the employment outside Great Britain during the period of 52 contribution weeks from the beginning of the contribution week in which that employment begins to the same extent as that to which such contributions would have been payable if the employment had been in Great Britain;

(*b*) subject to the provisions of regulation 96 of these regulations, any earner by or in respect of whom contributions are or have been payable under the last preceding sub-paragraph shall be entitled to pay Class 3 contributions in respect of any year during which the earner is outside Great Britain from and including that in which the employment outside Great Britain begins until that in which he next returns there.

Class 2 and Class 3 contributions for periods abroad

95.—(1) Subject to the provisions of regulation 96 of these regulations, a person (other than a person to whom paragraph (2)(*a*) of the last preceding regulation applies, may, notwithstanding the provisions of regulation 93(1)(*c*) and (*e*) of these regulations) if he so wishes and if he satisfies the conditions specified in the next succeeding paragraph, pay contributions in respect of periods during which he is outside Great Britain as follows:—

(*a*) in respect of any contribution week throughout which he is gainfully employed outside Great Britain otherwise than as an employed earner, he may, if immediately before he last left Great Britain he was ordinarily an employed earner or a self-employed earner, pay a contribution as a self-employed earner;

(*b*) in respect of any year which includes a period during which he is outside Great Britain he may pay Class 3 contributions.

(2) The conditions specified in the last preceding paragraph shall subject to the provisions of paragraph (3) of this regulation be either—

(*a*) that the person has been resident in Great Britain for a continuous period of not less than 3 years at any time before the period for which the contributions are to be paid; or

(*b*) that there have been paid by or on behalf of that person contributions of the appropriate amount—

(i) for each of 3 years ending at any time before the relevant period; or

(ii) for each of 2 years so ending and, in addition, 52 contributions under the former principal Act; or

(iii) for any one year ending before the relevant period and, in addition 104 contributions under the former principal Act; or

(*c*) that there have been paid by or on behalf of that person 156 contributions under the former principal Act.

(3) In the last preceding paragraph—

(*a*) the expression "contributions of the appropriate amount" means contributions under the Act equal to 50 times the amount of the value of a primary Class 1 contribution payable at the standard rate (or that rate as reduced in accordance with the provisions of regulation 89 of these regulations (rate of contributions reduced for members of the forces)) in respect of earnings equal to the lower earnings limit for the time being;

(*b*) the expression "the relevant period" means the period for which it is desired to pay the Class 2 contribution or, as the case may be, the Class 3 contributions specified in paragraph (1) of this regulation;

(*c*) the expression "contributions under the former principal Act" means contributions of any Class under section 3 of the former principal Act in respect of any period.

Conditions of payment of Class 2 or Class 3 contributions for periods abroad

96. Entitlement to pay Class 2 or Class 3 contributions under the last two preceding regulations shall be subject to the following two conditions:—

(*a*) that the payment is made within the period specified in regulation 24(3)(*b*)(i) of these regulations; and

(*b*) that the payment is made only to the extent to which it could have been made if the contributor had been present in Great Britain and otherwise entitled to make it.

Persons outside Great Britain on the appointed day

97.—(1) Where on the appointed day a person is gainfully employed outside Great Britain in employment which began before that day, the following provisions of this regulation shall apply.

(2) Where the employment outside Great Britain on that day, if it had been in Great Britain, would have been employed earner's employment, the provisions of regulation 94 of these regulations shall apply subject to the modification that in paragraph (2)(*a*) of that regulation for the period specified therein there shall be substituted the period of 12 months from the beginning of the employment.

(3) Notwithstanding the provisions of regulation 94 of these regulations, where a person is on the appointed day gainfully employed outside Great Britain in continuation of employment outside thereof before that day and in respect of that employment before that day no contributions were payable by or in respect of him as an employed person under the former principal Act, that employment outside Great Britain on and after that day shall not be treated as employed earner's employment under the Act for any period before the date on which he next returns to Great Britain.

(4) Where before the appointed day a person was, during any contribution week within the meaning of the former principal Act, outside Great Britain and under that Act entitled to pay a contribution in respect of that week the provisions of the former principal Act in respect of each payment shall continue to apply with the modification that the period within which such contribution may be paid shall be the period specified in head (i) or, as the case may be, head (ii) of regulation 5(2)(*bb*)(*a*) of the National Insurance (Residence and Persons Abroad) Regulations 1948**(a)**, as amended**(b)**, or before 6th April 1978, whichever is the shorter.

(a) S.I. 1948/1275 (Rev. XVI, p. 88: 1948 I, p. 2864).

(b) The relevant amending instruments are S.I. 1950/1946, 1956/2021 (1950 II, p. 27; 1956 I, p. 1687).

SCHEDULE C

Regulation 4

Schedule to be inserted as Schedule 5
in the principal regulations

SCHEDULE 5

Regulation 81(2)

Secondary Basic Scheme Contributions at
Rates Reduced in accordance with Regulation 79

PART I

WEEKLY SCALE

Column 1	Column 2	Column 3	Column 4
Payments of Earnings	Secondary Contributions at Rate Reduced in accordance with regulation 79(1)(*a*)	Secondary Contributions at Rate Reduced in accordance with regulation 79(1)(*b*)	Secondary Contributions at Rate Reduced in accordance with regulation 79(1)(*a*) and (*b*)
£	£	£	£
8·00	0·60	0·56	0·54
8·50	0·64	0·59	0·58
9·00	0·68	0·63	0·61
9·50	0·71	0·66	0·64
10·00	0·75	0·70	0·68
10·50	0·78	0·73	0·71
11·00	0·82	0·76	0·74
11·50	0·86	0·80	0·78
12·00	0·89	0·83	0·81
12·50	0·93	0·87	0·84
13·00	0·97	0·90	0·87
13·50	1·00	0·93	0·91
14·00	1·04	0·97	0·94
14·50	1·08	1·00	0·97
15·00	1·11	1·04	1·01
15·50	1·15	1·07	1·04
16·00	1·19	1·10	1·07
16·50	1·22	1·14	1·11
17·00	1·26	1·17	1·14
17·50	1·30	1·21	1·17
18·00	1·33	1·24	1·20
18·50	1·37	1·27	1·24
19·00	1·41	1·31	1·27
19·50	1·44	1·34	1·30
20·00	1·48	1·38	1·34
20·50	1·51	1·41	1·37
21·00	1·55	1·44	1·40
21·50	1·59	1·48	1·44
22·00	1·62	1·51	1·47
22·50	1·66	1·55	1·50
23·00	1·70	1·58	1·53
23·50	1·73	1·61	1·57
24·00	1·77	1·65	1·60
24·50	1·81	1·68	1·63

WEEKLY SCALE—(*continued*)

Column 1	Column 2	Column 3	Column 4
Payments of Earnings	Secondary Contributions at Rate Reduced in accordance with regulation 79(1)(*a*)	Secondary Contributions at Rate Reduced in accordance with regulation 79(1)(*b*)	Secondary Contributions at Rate Reduced in accordance with regulation 79(1)(*a*) and (*b*)
£	£	£	£
25·00	1·84	1·72	1·67
25·50	1·88	1·75	1·70
26·00	1·92	1·78	1·73
26·50	1·95	1·82	1·77
27·00	1·99	1·85	1·80
27·50	2·03	1·89	1·83
28·00	2·06	1·92	1·86
28·50	2·10	1·95	1·90
29·00	2·14	1·99	1·93
29·50	2·17	2·02	1·96
30·00	2·21	2·06	2·00
30·50	2·24	2·09	2·03
31·00	2·28	2·12	2·06
31·50	2·32	2·16	2·10
32·00	2·35	2·19	2·13
32·50	2·39	2·23	2·16
33·00	2·43	2·26	2·19
33·50	2·46	2·29	2·23
34·00	2·50	2·33	2·26
34·50	2·54	2·36	2·29
35·00	2·57	2·40	2·33
35·50	2·61	2·43	2·36
36·00	2·65	2·46	2·39
36·50	2·68	2·50	2·43
37·00	2·72	2·53	2·46
37·50	2·76	2·57	2·49
38·00	2·79	2·60	2·52
38·50	2·83	2·63	2·56
39·00	2·87	2·67	2·59
39·50	2·90	2·70	2·62
40·00	2·94	2·74	2·66
40·50	2·97	2·77	2·69
41·00	3·01	2·80	2·72
41·50	3·05	2·84	2·76
42·00	3·08	2·87	2·79
42·50	3·12	2·91	2·82
43·00	3·16	2·94	2·85
43·50	3·19	2·97	2·89
44·00	3·23	3·01	2·92
44·50	3·27	3·04	2·95
45·00	3·30	3·08	2·99
45·50	3·34	3·11	3·02
46·00	3·38	3·14	3·05
46·50	3·41	3·18	3·09
47·00	3·45	3·21	3·12
47·50	3·49	3·25	3·15
48·00	3·50	3·26	3·17

PART II

MONTHLY SCALE (Calendar month)

Column 1	Column 2	Column 3	Column 4
Payments of Earnings	Secondary Contributions at Rate Reduced in accordance with regulation 79(1)(*a*)	Secondary Contributions at Rate Reduced in accordance with regulation 79(1)(*b*)	Secondary Contributions at Rate Reduced in accordance with regulation 79(1)(*a*) and (*b*)
£	£	£	£
34·67	2·58	2·40	2·33
36·00	2·70	2·52	2·44
38·00	2·85	2·65	2·57
40·00	2·99	2·79	2·71
42·00	3·14	2·92	2·84
44·00	3·28	3·06	2·97
46·00	3·43	3·20	3·10
48·00	3·58	3·33	3·23
50·00	3·72	3·47	3·37
52·00	3·87	3·60	3·50
54·00	4·01	3·74	3·63
56·00	4·16	3·88	3·76
58·00	4·31	4·01	3·89
60·00	4·45	4·15	4·03
62·00	4·60	4·28	4·16
64·00	4·74	4·42	4·29
66·00	4·89	4·56	4·42
68·00	5·04	4·69	4·55
70·00	5·18	4·83	4·69
72·00	5·33	4·96	4·82
74·00	5·47	5·10	4·95
76·00	5·62	5·24	5·08
78·00	5·77	5·37	5·21
80·00	5·91	5·51	5·35
82·00	6·06	5·64	5·48
84·00	6·20	5·78	5·61
86·00	6·35	5·92	5·74
88·00	6·50	6·05	5·87
90·00	6·64	6·19	6·01
92·00	6·79	6·32	6·14
94·00	6·93	6·46	6·27
96·00	7·08	6·60	6·40
98·00	7·23	6·73	6·53
100·00	7·37	6·87	6·67
102·00	7·52	7·00	6·80
104·00	7·66	7·14	6·93
106·00	7·81	7·28	7·06
108·00	7·96	7·41	7·19
110·00	8·10	7·55	7·33
112·00	8·25	7·68	7·46
114·00	8·39	7·82	7·59
116·00	8·54	7·96	7·72
118·00	8·69	8·09	7·85
120·00	8·83	8·23	7·99
122·00	8·98	8·36	8·12
124·00	9·12	8·50	8·25

MONTHLY SCALE—(*continued*)

Column 1	Column 2	Column 3	Column 4
Payments of Earnings	Secondary Contributions at Rate Reduced in accordance with regulation 79(1)(*a*)	Secondary Contributions at Rate Reduced in accordance with regulation 79(1)(*b*)	Secondary Contributions at Rate Reduced in accordance with regulation 79(1)(*a*) and (*b*)
£	£	£	£
126·00	9·27	8·64	8·38
128·00	9·42	8·77	8·51
130·00	9·56	8·91	8·65
132·00	9·71	9·04	8·78
134·00	9·85	9·18	8·91
136·00	10·00	9·32	9·04
138·00	10·15	9·45	9·17
140·00	10·29	9·59	9·31
142·00	10·44	9·72	9·44
144·00	10·58	9·86	9·57
146·00	10·73	10·00	9·70
148·00	10·88	10·13	9·83
150·00	11·02	10·27	9·97
152·00	11·17	10·40	10·10
154·00	11·31	10·54	10·23
156·00	11·46	10·68	10·36
158·00	11·61	10·81	10·49
160·00	11·75	10·95	10·63
162·00	11·90	11·08	10·76
164·00	12·04	11·22	10·89
166·00	12·19	11·36	11·02
168·00	12·34	11·49	11·15
170·00	12·48	11·63	11·29
172·00	12·63	11·76	11·42
174·00	12·77	11·90	11·55
176·00	12·92	12·04	11·68
178·00	13·07	12·17	11·81
180·00	13·21	12·31	11·95
182·00	13·36	12·44	12·08
184·00	13·50	12·58	12·21
186·00	13·65	12·72	12·34
188·00	13·80	12·85	12·47
190·00	13·94	12·99	12·61
192·00	14·09	13·12	12·74
194·00	14·23	13·26	12·87
196·00	14·38	13·40	13·00
198·00	14·53	13·53	13·13
200·00	14·67	13·67	13·27
202·00	14·82	13·80	13·40
204·00	14·96	13·94	13·53
206·00	15·11	14·08	13·66
208·00	15·18	14·14	13·73

SCHEDULE D

Regulation 4

Schedule to be inserted as Schedule 6 in the principal regulations

SCHEDULE 6

Regulation 88

PART I

Prescribed establishments and organisations for purposes of section 40(4) of the Act

1. Any of the regular naval, military or air forces of the Crown.
2. Royal Naval Reserve.
3. Royal Marines Reserve.
4. Royal Fleet Reserve.
5. Royal Naval Special Reserve (Special List).
6. Women's Royal Naval Reserve and Women's Royal Naval Supplementary Reserve.
7. Queen Alexandra's Royal Naval Nursing Service Reserve.
8. Voluntary Aid Detachment (Naval Reserve).
9. Regular Army Reserve of Officers.
10. Army Reserves (including Regular Reserves, Army General Reserve, Long Term Reserve and Army Pensioners).
11. Territorial and Army Volunteer Reserve.
12. Royal Air Force Reserve (including Royal Air Force Reserve of Officers, Royal Air Force Volunteer Reserve, Women's Royal Air Force Reserve of Officers and Women's Royal Air Force Volunteer Reserve).
13. Royal Auxiliary Air Force (including Women's Royal Auxiliary Air Force).
14. Princess Mary's Royal Air Force Nursing Service Reserve.
15. The Ulster Defence Regiment.

PART II

Establishments and organisations of which Her Majesty's forces shall not consist

By virtue of regulation 88 of these regulations, Her Majesty's forces shall not be taken to consist of any of the establishments or organisations specified in Part I of this Schedule by virtue only of the employment in such establishment or organisation of the following persons—

(*a*) any person who is serving as a member of any naval force of Her Majesty's forces and who (not having been an insured person under the former principal Act or, as the case may be, the National Insurance Act (Northern Ireland) 1966**(a)** and not being a contributor under the Act) locally entered that force at an overseas base;

(a) 1966 c. 6 (N.I.).

(*b*) any person who is serving as a member of any military force of Her Majesty's forces and who entered that force, or was recruited for that force outside the United Kingdom, and the depot of whose unit is situated outside the United Kingdom;

(*c*) any person who is serving as a member of any air force of Her Majesty's forces and who entered that force, or was recruited for that force, outside the United Kingdom, and is liable under the terms of his engagement to serve only in a specified part of the world outside the United Kingdom.

Regulation 4

SCHEDULE E

Schedule to be inserted as Schedule 7 in the principal regulations

Regulation 89(3)

SCHEDULE 7

CONTRIBUTIONS FOR MEMBERS OF THE FORCES UNDER BASIC SCHEME
calculated in accordance with regulation 89(3) of these regulations

PART I

WEEKLY SCALE

Column 1	Column 2	Column 3	Column 4
Payments of Earnings	Primary Contributions at rate reduced in accordance with regulation 89(1)(*a*)(i)	Primary Contributions at rate reduced in accordance with regulation 89(1)(*a*)(ii)	Secondary Contributions
£	£	£	£
8·00	0·37	0·03	0·51
8·50	0·39	0·03	0·54
9·00	0·41	0·04	0·57
9·50	0·43	0·04	0·60
10·00	0·46	0·04	0·64
10·50	0·48	0·04	0·67
11·00	0·50	0·04	0·70
11·50	0·52	0·05	0·73
12·00	0·55	0·05	0·76
12·50	0·57	0·05	0·79
13·00	0·59	0·05	0·82
13·50	0·61	0·05	0·85
14·00	0·63	0·06	0·88
14·50	0·66	0·06	0·91
15·00	0·68	0·06	0·95
15·50	0·70	0·06	0·98
16·00	0·72	0·06	1·01
16·50	0·75	0·07	1·04
17·00	0·77	0·07	1·07
17·50	0·79	0·07	1·10
18·00	0·81	0·07	1·13

WEEKLY SCALE (Continued)

Column 1	Column 2	Column 3	Column 4
Payments of Earnings	Primary Contributions at rate reduced in accordance with regulation 89(1)(*a*)(i)	Primary Contributions at rate reduced in accordance with regulation 89(1)(*a*)(ii)	Secondary Contributions
£	£	£	£
18·50	0·83	0·07	1·16
19·00	0·86	0·08	1·19
19·50	0·88	0·08	1·22
20·00	0·90	0·08	1·26
20·50	0·92	0·08	1·29
21·00	0·95	0·08	1·32
21·50	0·97	0·09	1·35
22·00	0·99	0·09	1·38
22·50	1·01	0·09	1·41
23·00	1·03	0·09	1·44
23·50	1·06	0·09	1·47
24·00	1·08	0·10	1·50
24·50	1·10	0·10	1·53
25·00	1·12	0·10	1·57
25·50	1·15	0·10	1·60
26·00	1·17	0·10	1·63
26·50	1·19	0·11	1·66
27·00	1·21	0·11	1·69
27·50	1·23	0·11	1·72
28·00	1·26	0·11	1·75
28·50	1·28	0·11	1·78
29·00	1·30	0·12	1·81
29·50	1·32	0·12	1·84
30·00	1·35	0·12	1·88
30·50	1·37	0·12	1·91
31·00	1·39	0·12	1·94
31·50	1·41	0·13	1·97
32·00	1·44	0·13	2·00
32·50	1·46	0·13	2·03
33·00	1·48	0·13	2·06
33·50	1·50	0·13	2·09
34·00	1·52	0·14	2·12
34·50	1·55	0·14	2·15
35·00	1·57	0·14	2·19
35·50	1·59	0·14	2·22
36·00	1·61	0·14	2·25
36·50	1·64	0·15	2·28
37·00	1·66	0·15	2·31
37·50	1·68	0·15	2·34
38·00	1·70	0·15	2·37
38·50	1·72	0·15	2·40
39·00	1·75	0·16	2·43
39·50	1·77	0·16	2·46
40·00	1·79	0·16	2·50
40·50	1·81	0·16	2·53
41·00	1·84	0·16	2·56
41·50	1·86	0·17	2·59
42·00	1·88	0·17	2·62
42·50	1·90	0·17	2·65
43·00	1·92	0·17	2·68

WEEKLY SCALE (Continued)

Column 1	Column 2	Column 3	Column 4
Payments of Earnings	Primary Contributions at rate reduced in accordance with regulation 89(1)(*a*)(i)	Primary Contributions at rate reduced in accordance with regulation 89(1)(*a*)(ii)	Secondary Contributions
£	£	£	£
43·50	1·95	0·17	2·71
44·00	1·97	0·18	2·74
44·50	1·99	0·18	2·77
45·00	2·01	0·18	2·81
45·50	2·04	0·18	2·84
46·00	2·06	0·18	2·87
46·50	2·08	0·19	2·90
47·00	2·10	0·19	2·93
47·50	2·12	0·19	2·96
48·00	2·14	0·19	2·98

PART II

MONTHLY SCALE

Column 1	Column 2	Column 3	Column 4
Payments of Earnings	Primary Contributions at rate reduced in accordance with regulation 89(1)(*a*)(i)	Primary Contributions at rate reduced in accordance with regulation 89(1)(*a*)(ii)	Secondary Contributions
£	£	£	£
34·67	1·57	0·14	2·19
36·00	1·65	0·15	2·29
38·00	1·74	0·16	2·42
40·00	1·82	0·16	2·54
42·00	1·91	0·17	2·67
44·00	2·00	0·18	2·79
46·00	2·09	0·19	2·91
48·00	2·18	0·20	3·04
50·00	2·27	0·20	3·16
52·00	2·36	0·21	3·29
54·00	2·45	0·22	3·41
56·00	2·54	0·23	3·53
58·00	2·63	0·24	3·66
60·00	2·71	0·24	3·78
62·00	2·80	0·25	3·91
64·00	2·89	0·26	4·03
66·00	2·98	0·27	4·15
68·00	3·07	0·28	4·28
70·00	3·16	0·28	4·40
72·00	3·25	0·29	4·53
74·00	3·34	0·30	4·65
76·00	3·43	0·31	4·77
78·00	3·52	0·32	4·90
80·00	3·60	0·32	5·02

MONTHLY SCALE (Continued)

Column 1	Column 2	Column 3	Column 4
Payments of Earnings	Primary Contributions at rate reduced in accordance with regulation 89(1)(*a*)(i)	Primary Contributions at rate reduced in accordance with regulation 89(1)(*a*)(ii)	Secondary Contributions
£	£	£	£
82·00	3·69	0·33	5·15
84·00	3·78	0·34	5·27
86·00	3·87	0·35	5·39
88·00	3·96	0·36	5·52
90·00	4·05	0·36	5·64
92·00	4·14	0·37	5·77
94·00	4·23	0·38	5·89
96·00	4·32	0·39	6·01
98·00	4·41	0·40	6·14
100·00	4·49	0·40	6·26
102·00	4·58	0·41	6·39
104·00	4·67	0·42	6·51
106·00	4·76	0·43	6·63
108·00	4·85	0·44	6·76
110·00	4·94	0·44	6·88
112·00	5·03	0·45	7·01
114·00	5·12	0·46	7·13
116·00	5·21	0·47	7·25
118·00	5·30	0·48	7·38
120·00	5·38	0·48	7·50
122·00	5·47	0·49	7·63
124·00	5·56	0·50	7·75
126·00	5·65	0·51	7·87
128·00	5·74	0·52	8·00
130·00	5·83	0·52	8·12
132·00	5·92	0·53	8·25
134·00	6·01	0·54	8·37
136·00	6·10	0·55	8·49
138·00	6·19	0·56	8·62
140·00	6·27	0·56	8·74
142·00	6·36	0·57	8·87
144·00	6·45	0·58	8·99
146·00	6·54	0·59	9·11
148·00	6·63	0·60	9·24
150·00	6·72	0·60	9·36
152·00	6·81	0·61	9·49
154·00	6·90	0·62	9·61
156·00	6·99	0·63	9·73
158·00	7·08	0·64	9·86
160·00	7·16	0·64	9·98
162·00	7·25	0·65	10·11
164·00	7·34	0·66	10·23
166·00	7·43	0·67	10·35
168·00	7·52	0·68	10·48
170·00	7·61	0·68	10·60
172·00	7·70	0·69	10·73
174·00	7·79	0·70	10·85
176·00	7·88	0·71	10·97
178·00	7·97	0·72	11·10
180·00	8·05	0·72	11·22

MONTHLY SCALE (Continued)

Column 1	Column 2	Column 3	Column 4
Payments of Earnings	Primary Contributions at rate reduced in accordance with regulation 89(1)(*a*)(i)	Primary Contributions at rate reduced in accordance with regulation 89(1)(*a*)(ii)	Secondary Contributions
£	£	£	£
182·00	8·14	0·73	11·35
184·00	8·23	0·74	11·47
186·00	8·32	0·75	11·59
188·00	8·41	0·76	11·72
190·00	8·50	0·76	11·84
192·00	8·59	0·77	11·97
194·00	8·68	0·78	12·09
196·00	8·77	0·79	12·21
198·00	8·86	0·80	12·34
200·00	8·94	0·80	12·46
202·00	9·03	0·81	12·59
204·00	9·12	0·82	12·71
206·00	9·21	0·83	12·83
208·00	9·26	0·83	12·90

Regulation 5

SCHEDULE F

CONSEQUENTIAL AND MINOR AMENDMENTS OF PRINCIPAL REGULATIONS, AS AMENDED BY REGULATIONS 2, 3 AND 4 OF THESE REGULATIONS

Provisions	Amendments
Regulation 1(1) (citation and commencement)	For the words "regulations 63 and 64" there shall be substituted the words "regulations 71 and 98".
Regulation 1(2) (interpretation)	After the definition "aggregation" there shall be inserted the following definition:— ' "airman" has the meaning assigned to it in regulation 72;'. After the definition "apportionment" there shall be inserted the following definitions:— ' "British aircraft" has the meaning assigned to it in regulation 72;'. ' "British ship" has the meaning assigned to it in regulation 76;'. After the definition "earnings-related contributions" there shall be inserted the following definitions:— ' "foreign-going ship" "home-trade ship" have the meaning assigned respectively to those expressions in regulation 76;'.

Provisions	Amendments
	After the definition of "local office" there shall be inserted the following definitions:— ' "managing owner" "mariner" have the meaning assigned respectively to those expressions in regulation 76;'. After the definition of "national insurance number" there shall be inserted the following definitions:— ' "owner" for the purposes of Case B of Part VIII of these regulations has the meaning assigned to that expression in regulation 76 of that Case; "passenger" "pay period" have the meaning assigned respectively to those expressions in regulation 76;'. After the definition of "profits or gains" there shall be inserted the following definition:— ' "radio officer" has the meaning assigned to that expression in regulation 76;'. After the definition "secondary contributor" there shall be inserted the following definitions:— ' "serving member of the forces" means a person (not being a person mentioned in Part II of Schedule 6 to these regulations) who, being over school-leaving age, is a member of any establishment or organisation in Part I of Schedule 6 to these regulations (being a member who gives full pay service) but does not include any such person while absent on desertion; "ship or vessel" for the purposes of Case B of Part VIII of these regulations has the meaning assigned to it in regulation 76; "voyage period" has the meaning assigned to that expression in regulation 76;'. In the definition of "week" for the words "income tax week" there shall be substituted the words ' "income tax week", except that for the purposes of the provisions of Case B of Part VIII of these regulations, "week" means a period of 7 consecutive days and "weekly" shall be construed accordingly.'

Provisions	Amendments
Regulation 17 (payments to be disregarded)	In paragraph (1)(*f*), for all the words following the words "required to make" there shall be substituted the words "under regulation 3(2)(*e*) of the Occupational Pension Schemes (Recognition of Schemes) (No. 2) Regulations 1973**(a)**."
Regulation 99 (provisions relating to remuneration received on or after the appointed day in respect of employment before that day)	In paragraph (4) for the words "regulation 67" there shall be substituted the words "regulation 101".
Regulation 100	In the shoulder note for the words "regulation 65(2)" there shall be substituted the words "regulation 99(2)".
Regulation 101 (contributions treated as paid under the former principal Act)	In paragraph (1) for the words "regulation 65" there shall be substituted the words "regulation 99". In paragraph (3) for the words "regulation 64" there shall be substituted the words "regulation 98".
Regulation 104 (appropriation and savings)	In paragraph (2) for the provisions following the words "continue in force" there shall be substituted the words:—"the enactments specified in the first column of Part I of Schedule 8 to these regulations, save that, in so far as such enactments, other than section 117(1) of the former principal Act (general savings etc.), are also specified in column 1 of Part II of that Schedule, they shall continue in force only to the extent necessary to preserve in force the regulations specified in column 2 of that Part."
Schedule 8, Part I (Savings)	For the reference note "Regulation 70(2)" there shall be substituted the reference note "Regulation 104(2)". After the entry for Section 99(2) and (3)(*c*) there shall be inserted in the first column a new entry, "Section 100", and in the second column the words "Mariners and airmen".
Schedule 8, Part II (Savings)	Under the entry for the National Insurance (Members of the Forces) Regulations 1968**(b)**, as amended**(c)**, after the item "Regulation 12" there shall be inserted in column 2 (regulations) the following item, "Regulation 14 in so far as it relates to those provisions in Part I which continue in force after the appointed day" and opposite thereto in column 3 (description) the words "Application of section 99 of the former principal Act and of Part I of these

(a) S.I. 1973/1854 (1973 III, p. 6391). **(b)** S.I. 1968/827 (1968 II, p. 2228).
(c) The relevant amending instrument is S.I. 1969/1508 (1969 III, p. 4898).

Provisions	Amendments
	regulations for the purposes of the Northern Ireland Act." After the last aforesaid item there shall be inserted:— in column 2 "Regulation 15 in so far as it relates to liability for a payment in lieu of contributions and collection of flat-rate and graduated contributions after the appointed day" and opposite thereto in column 3 "Contributions": in column 2 "Regulation 16" and opposite thereto in column 3 "Modifications of Act and regulations in application to Northern Ireland": in column 2 "Regulation 17" and opposite thereto in column 3 "Provisions relating to persons to be treated as belonging to Northern Ireland": in column 2 "Schedule 7, the entries relating to section 99(2) and Regulation 12" and opposite thereto in column 3 "Modifications applying to Northern Ireland."

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations further amend the Social Security (Contributions) Regulations 1973 (the principal regulations) and, being made before the day appointed for the coming into operation of section 2 of the Social Security Act 1973, by virtue of section 48(2) of, and paragraph 16 of Schedule 12 to, the Act are not required to be referred to the National Insurance Advisory Committee and no such reference has been made.

These Regulations add 8 regulations to Part VII of the principal regulations (Class 4 contributions), making provisions for earners treated as self-employed earners who, but for such treatment, would be employed earners (special Class 4 contributors) and for deferment of Class 4 and special Class 4 contributions.

These Regulations also add to the principal Regulations a new Part VIII (which is contained in Schedule B to these Regulations) making provision for 4 special categories of earners (airmen, mariners, members of the forces and persons abroad) and prescribing the conditions of residence or presence in Great Britain for entitlement or liability to pay basic scheme contributions.

Case A of Part VIII makes provision for the application of the Act and regulations made thereunder to airmen; for treating employment of airmen as employed earner's employment although not in Great Britain; and it also makes special transitional provisions in respect of them.

Case B of that Part makes similar provisions in respect of the employment of mariners and provides also for the reduction of the rate of contributions payable in respect of them.

Case C makes similar provisions in respect of serving members of the forces. It prescribes also the establishments and organisations of which Her Majesty's forces are taken to consist. It also provides for the reduction of the rate of contributions payable in respect of serving members of the forces, and makes special provisions in relation to earnings periods in respect of their earnings.

Case D prescribes the conditions of residence or presence referred to above, and makes provision for the payment of contributions for periods abroad and for persons outside Great Britain on the appointed day.

Schedules C, D and E to these Regulations add new Schedules 5, 6 and 7 to the principal Regulations, Schedule 6 listing the prescribed establishments and organisations referred to above, and Schedules 5 and 7 prescribing the rates by which contributions at the reduced rates for members of the forces and mariners may respectively be calculated.

Schedule F to these Regulations makes provision for consequential and minor amendments.

The remainder of the amendments are of a minor nature.

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