STATUTORY INSTRUMENTS

2003 No. 964

SOCIAL SECURITY

The Social Security (Contributions) (Amendment No. 2) Regulations 2003

Made - - - -	*31st March 2003*
Coming into force - -	*6th April 2003*

Whereas a draft of these Regulations has been laid before, and approved by resolution of, each House of Parliament pursuant to section 176(1) of the Social Security Contributions and Benefits Act 1992(**a**) and section 172(11A) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**b**);

Now, therefore, the Treasury, in exercise of the powers conferred upon them by sections 3(2), 19(4) to (5A), 118 and 175(3) of the Social Security Contributions and Benefits Act 1992(**c**), with the concurrence of the Secretary of State, and in exercise of the powers conferred upon them by sections 3(2), 19(4) to (5A), 118 and 171(3) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**d**), with the concurrence of the Department for Social Development, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Social Security (Contributions) (Amendment No. 2) Regulations 2003 and shall come into force on 6th April 2003.

Interpretation

2. In these Regulations "the principal Regulations" means the Social Security (Contributions) Regulations 2001(**e**).

(**a**) 1992 c. 4. There are amendments which are not relevant for the purposes of this instrument.
(**b**) 1992 c. 7 ("the Northern Ireland Contributions Act"). Subsection (11A) was inserted by paragraph 29(5) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671) ("the Transfer Order").
(**c**) Section 3(2) was amended by paragraph 3 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2) ("the Transfer Act"). Section 19(4)(a) was amended by paragraph 5(4) of Schedule 1 to the National Insurance Contributions Act 2002 (c. 19), and subsection (5A) of that section was inserted by paragraph 19(1) and (2) of Schedule 3 to the Transfer Act. Section 118 was amended by paragraph 24 of Schedule 3 to the Transfer Act.
(**d**) Section 3(2) was amended by paragraph 4 of Schedule 3 to the Transfer Order. Section 19(4)(a) was amended by paragraph 24(4) of Schedule 1 to National Insurance Contributions Act 2002, and subsection (5A) of that section was inserted by paragraph 19(1) and (2) of Schedule 3 to the Transfer Order. Section 118 was amended by paragraph 24 of Schedule 3 to the Transfer Order. The functions of the Department of Health and Social Services for Northern Ireland under the Northern Ireland Contributions Act were transferred to the Department for Social Development by Article 8(b) of, and Part II of Schedule 6 to, the Departments (Transfer and Assignment of Functions) Order (Northern Ireland) 1999 (S.R. 1999 No. 481).
(**e**) S.I. 2001/1004.

Amendment of the principal Regulations

3. Amend the principal Regulations as follows.

4. In regulation 120(2)(b)(i) (mariners: relevant changes in the determination of earnings periods and the apportionment of earnings) for "the primary percentage" substitute "the main primary percentage or the additional primary percentage".

5. In regulation 127—

(a) in paragraph (1) for "Social Security Pension Act 1975" substitute "Social Security Pensions Act 1975(**a**)"; and

(b) for paragraph (3) substitute—

"(3) Where a woman has made an election to which this regulation applies—

(a) any primary Class 1 contributions which are—

(i) attributable to section 8(1)(a) of the Act(**b**), and

(ii) payable in respect of earnings paid to her or for her benefit in the period during which the election has effect under the following provisions of this Case,

shall be payable at the reduced rate; and

(b) she shall be under no liability to pay any Class 2 contribution for any contribution week in that period.".

6. For regulation 131 (reduced rate of primary Class 1 contributions payable in respect of married women and widows) substitute—

"Reduced rate of primary Class 1 contributions otherwise payable at the main primary percentage

131. On and after 6th April 2003, the reduced rate of contribution for the purposes of section 19(4) of the Act (power to regulate liability in respect of certain married women and widows) in respect of so much of a married woman's liability for primary Class 1 contributions as is attributable to section 8(1)(a) of the Act shall be 4.85 per cent.".

7. In regulation 133(10) (duty to notify secondary contributor of cessation of election by married woman or widow) for "to pay primary Class 1 contributions at the reduced rate" substitute "to pay at the reduced rate in respect of so much of her liability for primary Class 1 contributions as is attributable to section 8(1)(a) of the Act".

8.—(1) Amend regulation 134 (special transitional provisions consequent upon passing of the Social Security Pensions Act 1975) as follows.

(2) In paragraph (1)(a)—

(a) for "any liability for a primary Class 1 contribution" substitute "so much of her liability for primary Class 1 contributions as is attributable to section 8(1)(a) of the Act"; and

(b) for "that contribution" substitute "those contributions".

(3) In paragraph (5)(a)(i) for "any liability for a primary Class 1 contribution" substitute "so much of her liability for primary Class 1 contributions as is attributable to section 8(1)(a) of the Act".

9.—(1) In the provisions listed in paragraph (2) for "primary percentage" substitute "main primary percentage".

(2) The provisions referred to in paragraph (1) are—

(**a**) 1975 c. 60.
(**b**) Section 8 was substituted by section 1(1) of the National Insurance Contributions Act 2002 (c.19).

(a) regulation 128(1)(e), (f)(iv) and (v) (duration of effect of elections by married women and widows to pay reduced rate contributions); and

(b) regulation 136(3)(a)(i) and (ii) (special transitional provision in respect of deemed elections made by married women under the Social Security (Contributions) Regulations 1975(**a**)).

10. In regulation 139 for "The Act" substitute "Part 1, Part 2 (except section 60(**b**)), and Parts 3 and 4 of the Act".

11. In regulation 156(2) (provisions of the principal Regulations which do not apply to Northern Ireland) omit "or Case D".

Jim Fitzpatrick
John Heppell
31st March 2003 — Two of the Lords Commissioners of Her Majesty's Treasury

The Secretary of State hereby concurs

Ian McCartney
29th March 2003 — Parliamentary Under-Secretary of State, Department for Work and Pensions

The Department for Social Development hereby concurs.
Sealed with the Official Seal of the Department for Social Development on 27th March 2003.

(L.S.)

D. A. Baker
Senior Officer of the Department for Social Development

(**a**) S.I. 1975/492.
(**b**) Section 60 has been amended by paragraph 21(9) of Schedule 4 to the Pensions Act 1995 (c.26) and paragraphs 2 and 8 of Part 1 of Schedule 8 to the Welfare Reform and Pensions Act 1999 (c. 30).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004: "the principal Regulations").

Regulation 1 provides for the citation and commencement of these Regulations.

Regulation 2 provides a definition of "the principal Regulations".

Regulation 3 introduces the amendments to the principal Regulations.

Regulation 4 amends regulation 120 of the principal Regulations to make it clear that an earnings period during a voyage period by a mariner will not be treated as coming to an end because of a change in either the main primary percentage or the additional primary percentage (introduced by the National Insurance Contributions Act 2002 (c. 19)).

Regulations 5 to 9 make amendments to Case D of Part 9 of the principal Regulations (married women and widows) to make it clear that an election originally made under the Social Security (Contributions) Regulations 1975 (S.I. 1975/492) has effect on and after 6th April 2003 only in respect of primary Class 1 contributions otherwise payable at the main primary percentage prescribed under section 8(2)(a) of the Social Security Contributions and Benefits Act 1992. The new regulation 131 of the principal Regulations, substituted by regulation 6 of these Regulations increases the married women's reduced rate contribution from 3.85 per cent. to 4.85 per cent.

Regulations 10 and 11 make drafting corrections to regulations 139 and 156 of the principal Regulations.

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