STATUTORY INSTRUMENTS

1977 No. 113

SOCIAL SECURITY

The Social Security (Contributions, Re-rating) Order 1977

Laid before Parliament in draft

Made	*26th January* 1977
Coming into Operation	*6th April* 1977

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

Now, therefore, the Secretary of State for Social Services in conjunction with the Treasury in so far as relates to matters with regard to which the Treasury has so directed (**a**) and in exercise of the powers conferred upon him by section 120 of the Social Security Act 1975(**b**) and all other powers enabling him in that behalf hereby makes the following order:

Citation, commencement and interpretation

1.—(1) This order may be cited as the Social Security (Contributions, Re-rating) Order 1977 and shall come into operation on 6th April 1977.

(2) In this order, unless the context otherwise requires, " the Act " means the Social Security Act 1975, as amended by the Social Security (Contributions, Re-rating) Order 1975(**c**), and other expressions have the same meanings as in the Act.

(3) The rules for the construction of Acts of Parliament contained in the Interpretation Act 1889(**d**) shall apply for the purposes of the interpretation of this order as they apply for the purposes of the interpretation of an Act of Parliament.

Lower and upper earnings limits of Class 1 *contributions*

2. In section 4 (1) of the Act (Class 1 contributions—incidence) for " £13 and £95 " (lower and upper earnings limits) there shall be substituted " £15 and £105 ".

Rate of, and small earnings exception from, Class 2 *contributions*

3. In section 7 of the Act (Class 2 contributions)—

(*a*) in sub-section (1) for " £2·41 " there shall be substituted " £2·66 ";

(*b*) in sub-section (5) (exception from Class 2 liability) for " £775 " there shall be substituted " £875 ".

(**a**) *See* Social Security Act 1975, section 166 (5). (**b**) 1975 c. 14.
(**c**) S.I. 1975/1829 (1975 III, p. 6901). (**d**) 1889 c. 63.

Rate of Class 3 contributions

4. In section 8 (1) of the Act (Class 3 contributions) for "£2·10" there shall be substituted "£2·45".

Lower and upper limits for Class 4 contributions

5. In sections 9 (2) and 10 (1) of the Act (Class 4 contributions recoverable under Tax Acts and under regulations)—

(*a*) for the figure "£1,600" (lower profits limit) wherever that figure appears there shall in each of those sections be substituted the figure "£1,750";

(*b*) for the figure "£4,900" (upper profits limit) there shall in each of those sections be substituted "£5,500".

David Ennals,
Secretary of State for Social Services.

26th January 1977.

Donald R. Coleman,
J. Dormand,
Two of the Lords Commissioners of Her Majesty's Treasury.

26th January 1977.

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

This Order substitutes increased rates of Class 2 and 3 contributions payable under the Social Security Act 1975. The Order also raises the lower and upper earnings limits for Class 1 contributions, the lower and upper limits of profits for Class 4 contributions and the amount of earnings below which an earner may be excepted from liability for Class 2 contributions.

In accordance with section 121 (1) of the Social Security Act 1975, a copy of a report by the Government Actuary (Cmnd. 6688) giving his opinion on the likely effect on the National Insurance Fund of the making of this Order was laid before Parliament with the draft of it.

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