STATUTORY INSTRUMENTS

1984 No. 15

SOCIAL SECURITY

The Social Security (Contributions, Re-rating) Order 1984

Laid before Parliament in draft

Made - - - *6th January* 1984

Coming into Operation *6th April* 1984

Whereas the Secretary of State for Social Services, with a view to adjusting the level at which the National Insurance Fund stands and having regard to the sums which may be expected to be paid from that Fund in the tax year 1984–85, thinks it expedient to alter the rates of Class 2 and Class 3 contributions under the Social Security Act 1975(a):

And whereas the said Secretary of State thinks it expedient in consequence of altering the rate of Class 2 contributions to alter the amount of earnings below which an earner may be excepted from liability for Class 2 contributions:

And whereas the said Secretary of State, as a result of carrying out in the tax year 1983–84 a review of the general level of earnings pursuant to subsections (2) and (3) of section 120 of the said Act, has determined that an order should be made under that section amending Part I of the said Act by altering the lower and upper limits of profits or gains to be taken into account for Class 4 contributions:

And whereas a draft of the following order was laid before Parliament in accordance with the provisions of section 120(4), 121(2) and 123(1) of that Act and approved by 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 has so directed(b), in exercise of the powers conferred on him by sections 120(5) and (6), 121(2), and 122(1) and (3) of the said Act and of 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 1984 and shall come into operation on 6th April 1984.

(2) In this order "the Act" means the Social Security Act 1975.

(a) 1975 c.14.

(b) *See* Social Security Act 1975, section 166(5).

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

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

(*a*) in subsection (1) (weekly rate) for "£4.40"(**a**) there shall be substituted "£4.60";

(*b*) in subsection (5) (small earnings exception) for "£1,775"(**b**) there shall be substituted "£1,850".

Amount of Class 3 contributions

3. In section 8(1) of the Act (amount of Class 3 contributions) for "£4.30"(**c**) there shall be substituted "£4.50".

Lower and upper limits for Class 4 contributions

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

(*a*) for "£3,800" (lower limit)(**d**) wherever that amount appears there shall be substituted in each of those sections "£3,950";

(*b*) for "£12,000 (upper limit)(**e**) there shall be substituted in each of those sections "£13,000".

Signed by authority of the Secretary of State for Social Services.

Tony Newton,
Parliamentary Under-Secretary of State,
Department of Health and Social Security.

23rd December 1983.

Nigel Lawson,
D. J. F. Hunt,
Two of the Lords Commissioners of
Her Majesty's Treasury.

6th January 1984.

(**a**) *See* S.I. 1982/1790, article 3(*a*).
(**b**) *See* S.I. 1982/1790, article 3(*b*).
(**c**) *See* S.I. 1982/1790, article 4.
(**d**) *See* S.I. 1982/1790, article 5(*b*).
(**e**) *See* S.I. 1982/1790, article 5(*c*).

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order increases the rates of Class 2 and 3 contributions payable under the Social Security Act 1975. It increases the amount of earnings below which an earner may be excepted from liability for Class 2 contributions, and the lower and upper limits of profits or gains between which Class 4 contributions are payable.

In accordance with sections 121(1) and 123(2) of the Social Security Act 1975 a copy of a report by the Government Actuary (Cmnd. 9092) giving his opinion on the likely effect on the National Insurance Fund of the making of the Order, was laid before Parliament with a draft of it.

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