1989 No. 9

SOCIAL SECURITY

The Social Security (Contributions and Allocation of Contributions) (Re-rating) Order (Northern Ireland) 1989

Made . . . . . *16th January 1989*

Coming into operation . . *6th April 1989*

Whereas the Secretary of State for Social Security has made an order(**a**) under sections 120(5) and (6), 121(2), 123A(1) and (2) and 134(4A) and (5A) of the Social Security Act 1975(**b**):

Now, therefore, the Department of Health and Social Services for Northern Ireland, in exercise of the powers conferred on it by sections 120 and 128(4A) and (5A) of the Social Security (Northern Ireland) Act 1975(**c**) and of all other powers enabling it in that behalf, and with the consent of the Department of Finance and Personnel(**d**), so far as relates to matters to which such consent is required, hereby makes the following order:

Citation, commencement and interpretation

1.—(1) This order may be cited as the Social Security (Contributions and Allocation of Contributions) (Re-rating) Order (Northern Ireland) 1989 and shall come into operation on 6th April 1989.

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

Weekly earnings figures for primary and secondary earnings brackets

2.—(1) Section 4 (6B) and (6E) of the Act(**e**) (incidence of Class I contributions) shall be amended in accordance with paragraphs (2) and (3) of this Article.

(2) In subsection (6B)(**f**) (primary earnings brackets)—

(*a*) for the figure £69·99 specified in respect of Bracket 1 there shall be substituted the figure £74·99;

(**a**) S.I. 1989/26

(**b**) 1975 c. 14

(**c**) 1975 c. 15; section 120 was amended by the Schedule to the Social Security (Miscellaneous Provisions) (Northern Ireland) Order 1977 (S.I. 1977/610 (N.I. 11)), paragraph 9 of Schedule 3 to the Social Security (Northern Ireland) Order 1979 (S.I. 1979/396 (N.I. 5)), Article 9(5) of the Social Security (Northern Ireland) Order 1985 (S.I. 1985/1209 (N.I. 16)) and Schedule 10 to the Social Security (Northern Ireland) Order 1986 (S.I. 1986/1888 (N.I. 18)). Section 128(4A) was inserted by Article 5(3) of the Social Security (Contributions) (Northern Ireland) Order 1981 (S.I. 1981/230 (N.I. 9)). Section 128(5A) was inserted by Article 75(1) of the Social Security (Northern Ireland) Order 1986

(**d**) Formerly the Department of Finance: *see* S.I. 1982/338 (N.I. 6), Article 3

(**e**) Section 4(6B) and (6E) was substituted by Article 9(2) of the Social Security (Northern Ireland) Order 1985

(**f**) *See* Article 2(2) of S.R. 1988 No. 122

(*b*) for the figures £70·00 and £104·99 specified in respect of Bracket 2 there shall be substituted respectively the figures £75·00 and £114·99;

(*c*) for the figure £105·00 specified in respect of Bracket 3 there shall be substituted the figure £115·00.

(3) In subsection (6E)(**a**) (secondary earnings brackets) —

(*a*) for the figure £69·99 specified in respect of Bracket 1 there shall be substituted the figure £74·99;

(*b*) for the figures £70·00 and £104·99 specified in respect of Bracket 2 there shall be substituted respectively the figures £75·00 and £114·99;

(*c*) for the figures £105·00 and £154·99 specified in respect of Bracket 3 there shall be substituted respectively the figures £115·00 and £164·99;

(*d*) for the figure £155·00 specified in respect of Bracket 4 there shall be substituted the figure £165·00.

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

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

(*a*) in subsection (1) (weekly rate) for "£4·05"(**b**) there shall be substituted "£4·25";

(*b*) in subsection (5) (small earnings exception) for "£2,250"(**c**) there shall be substituted "£2,350".

Amount of Class 3 contributions

4. In section 8(1) of the Act (amount of Class 3 contributions) for "£3·95"(**d**) there shall be substituted "£4·15".

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 regulations)—

(*a*) for "£4,750"(**e**) (lower limit) wherever it appears there shall be substituted in each of those sections "£5,050";

(*b*) for "£15,860"(**f**) (upper limit) there shall be substituted in each of those sections "£16,900".

Percentage rates of appropriate health service allocation

6.—(1) Section 128(4) of the Act(**g**) (allocation of contributions) shall be amended in accordance with paragraph (2) of this Article.

(**a**) *See* Article 2(3) of S.R. 1988 No. 122
(**b**) *See* Article 3(*a*) of S.R. 1988 No. 122
(**c**) *See* Article 3(*b*) of S.R. 1988 No. 122
(**d**) *See* Article 4 of S.R. 1988 No. 122
(**e**) *See* Article 5(*a*) of S.R. 1988 No. 122
(**f**) *See* Article 5(*b*) of S.R. 1988 No. 122
(**g**) Section 128(4) was amended by Article 20(1) of the Industrial Relations (No. 2) (Northern Ireland) Order 1976 (S.I. 1976/2147 (N.I. 28)), Article 5(3) of the Social Security (Contributions) (Northern Ireland) Order 1982 (S.I. 1982/158 (N.I. 4)), paragraph 4 of Schedule 5 to the Social Security (Northern Ireland) Order 1985 and Article 3(2) of S.R. 1987 No. 25

(2) In the definition of "the appropriate health service allocation"—

(*a*) in paragraph (*a*) (primary Class 1 contributions) for "0·95 per cent."(**a**) there shall be substituted "1·05 per cent.";

(*b*) in paragraph (*b*) (secondary Class 1 contributions) for "0·8 per cent."(**b**) there shall be substituted "0·9 per cent.".

Appropriate employment protection allocation

7. It is hereby directed that there shall be no appropriate employment protection allocation in relation to the tax year beginning on 6th April 1989 or in relation to any subsequent tax year, and section 128 of the Act shall have effect accordingly.

Sealed with the Official Seal of the Department of Health and Social Services for Northern Ireland on 16th January 1989.

(L.S.) *A. N. Burns*
Assistant Secretary

The Department of Finance and Personnel hereby consents to Articles 6 and 7 of the foregoing Order.

Sealed with the Official Seal of the Department of Finance and Personnel on 16th January 1989.

(L.S.) *Joan O. M. Frame (Miss)*
Assistant Secretary

(**a**) *See* Article 3(2)(*a*) of S.R. 1988 No. 123
(**b**) *See* Article 3(2)(*b*) of S.R. 1988 No. 123

EXPLANATORY NOTE

(This note is not part of the Order.)

This order, which corresponds to an order (S.I. 1989/26) made by the Secretary of State for Social Security under sections 120(5) and (6), 121(2), 123A(1) and (2) and 134(4A) and (5A) of the Social Security Act 1975, provides for matters in respect of which the Social Security (Contributions, Re-rating) Order (Northern Ireland) 1988 (S.R. 1988 No. 122) and the Social Security (Consolidated Fund of Northern Ireland Supplement to, and Allocation of, Contributions) (Re-rating) Order (Northern Ireland) 1988 (S.R. 1988 No. 123) contained provisions.

The order increases the amounts of weekly earnings specified in the earnings brackets in subsections (6B) and (6E) of section 4 of the Social Security (Northern Ireland) Act 1975 ("the Act"), which determine the appropriate percentage rate at which Class 1 contributions are payable under the Act (Article 2). In both subsections, the increases in respect of Bracket 1 are from £69·99 to £74·99 and in respect of Bracket 2 from £70·00 and £104·99 to £75·00 and £114·99 respectively. In subsection (6B), the increase in respect of Bracket 3 is from £105·00 to £115·00. In subsection (6E), the increase in respect of Bracket 3 is from £105·00 and £154·99 to £115·00 and £164·99 respectively and in respect of Bracket 4 from £155·00 to £165·00.

The order increases the rates of Class 2 and Class 3 contributions payable under the Act from £4·05 to £4·25 and from £3·95 to £4·15 respectively (Articles 3(*a*) and 4). It increases from £2,250 to £2,350 the amount of earnings below which an earner may be excepted from liability for Class 2 contributions (Article 3(*b*)). It also increases, from £4,750 to £5,050 and from £15,860 to £16,900 respectively, the lower and upper limits of profits or gains between which Class 4 contributions are payable (Article 5).

The order also increases the percentage rates of the appropriate health service allocation in the case of primary Class 1 contributions from 0·95 to 1·05 per cent. and in the case of secondary Class 1 contributions from 0·8 to 0·9 per cent. (Article 6). It contains a direction that there shall be no appropriate employment protection allocation in relation to the tax year 1989-90 or any subsequent tax year (Article 7).