

1995 No. 714

SOCIAL SECURITY

The Social Security (Contributions) Amendment (No. 2) Regulations 1995

<i>Made</i> - - - -	<i>10th March 1995</i>
<i>Laid before Parliament</i>	<i>16th March 1995</i>
<i>Coming into force</i>	<i>6th April 1995</i>

The Secretary of State for Social Security, in exercise of powers conferred by section 5, 116(2)(a), 119 and 175(1) to (3) of the Social Security Contributions and Benefits Act 1992(a) and section 116(2)(a) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(b) and of all other powers enabling him in that behalf, and after agreement by the Social Security Advisory Committee that the proposals to make regulation 2(3) and (4) of these Regulations shall not be referred to it(c), hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Contributions) Amendment (No. 2) Regulations 1995 and shall come into force on 6th April 1995.

(2) In these Regulations “the principal Regulations” means the Social Security (Contributions) Regulations 1979(d).

Amendment of the principal Regulations

2.—(1) The principal Regulations shall be further amended in accordance with the following provisions of this regulation.

(2) In regulation 7 (lower and upper earnings limits for Class 1 contributions)(e)—

- (a) for the date “6th April 1994” there shall be substituted the date “6th April 1995”; and
- (b) for the sums “£57” and “£430” there shall be substituted respectively the sums “£58” and “£449”.

(3) In sub-paragraphs (a) and (b) of regulation 115(1) (reduction of rate of Class 1 contributions payable in respect of earnings of serving members of the forces)(f) for the figure “0.5” in each place where it appears there shall be substituted the figure “0.4”.

(4) In regulation 123D(1)(b) (special provisions as to volunteer development workers)(g) for “5.6 per cent.” there shall be substituted “5 per cent.”.

(a) 1992 c.4.

(b) 1992 c.7.

(c) See Social Security Administration Act 1992 (c.5), section 173(1)(b).

(d) S.I. 1979/591; relevant amending instruments are S.I. 1985/1398, 1986/485, 1989/345, 1989/1677, 1990/604, 1991/639, 1992/318, 1993/281 and 1994/563.

(e) The relevant amending instrument is S.I. 1994/563.

(f) The relevant amending instruments are S.I. 1985/1938, 1989/1677 and 1993/281.

(g) Regulation 123D was inserted by regulation 2 of S.I. 1986/485; the relevant amending instruments are S.I. 1989/345, 1990/604, 1991/639 and 1994/563.

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

10th March 1995

James Arbuthnot
Parliamentary Under-Secretary of State,
Department of Social Security

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Social Security (Contributions) Regulations 1979 (“the principal Regulations”).

Regulation 2(2) amends regulation 7 of the principal Regulations by increasing the weekly lower and upper earnings limits for Class 1 contributions for the tax year beginning on 6th April 1995. The lower earnings limit is increased from £57 to £58 and the upper earnings limit from £430 to £440.

Regulation 2(3) amends regulation 115 of the principal Regulations by reducing the abatement of percentage rates of Class 1 contributions payable by and in respect of serving members of the forces from 0.5 per cent. to 0.4 per cent.

Regulation 2(4) amends regulation 123D of the principal Regulations by decreasing the weekly rate of Class 2 contributions payable by volunteer development workers from 5.6 per cent. to 5 per cent. of the lower earnings limit. For the tax year beginning on 6th April 1995, the weekly contributions for those workers will decrease from £3.19 to £2.90.

Regulation 2(2) of these Regulations is made under section 5 of the Social Security Contributions and Benefits Act 1992 and the proposals for it are exempt from reference to the Social Security Advisory Committee by virtue of section 172(3) of, and paragraph 4 of Part I of Schedule 7 to, the Social Security Administration Act 1992.

Regulations 1, 2(1), 2(3) and 2(4) do not impose any additional costs on business. The effect of regulation 2(2) will be to increase administrative costs to business. These costs will be contained in the overall costs for business of implementing the National Insurance Contributions re-rating package and will not represent any additional expense.

An assessment of the cost to business of applying regulation 2(2) has been placed in the Libraries of both Houses of Parliament. Copies can be obtained by post from the Department of Social Security, Room 09/03, Adelphi, 1–11 John Adam Street, London WC2N 6HT.