

1996 No. 663

SOCIAL SECURITY

The Social Security (Contributions) Amendment (No. 2) Regulations 1996

<i>Made</i> - - - -	<i>7th March 1996</i>
<i>Laid before Parliament</i>	<i>14th March 1996</i>
<i>Coming into force</i> -	<i>6th April 1996</i>

The Secretary of State for Social Security, in exercise of powers conferred by sections 5, 116(2)(a) and 175(1) to (3) of the Social Security Contributions and Benefits Act 1992(a) and sections 116(2)(a) and 171(3) and (10) 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 proposal to make regulation 2(3) 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 1996 and shall come into force on 6th April 1996.

(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 1995” there shall be substituted the date “6th April 1996”; and
- (b) for the sums “£58” and “£440” there shall be substituted respectively the sums “£61” and “£455”.

(3) Regulation 115 (which provides for the payment of a reduced rate Class 1 contribution by serving members of H.S. forces and the Crown as their employer) is hereby revoked.

(a) 1992 c.4.

(b) 1992 c.7.

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

(d) S.I. 1979/591; the relevant amending instruments are S.I. 1985/1398, 1989/345, 1989/1677, 1991/639, 1992/318, 1993/281, 1994/563 and 1995/714.

(e) The relevant amending instrument is S.I. 1995/714..

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

7th March 1996

Oliver Heald
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 1996. The lower earnings limit is increased from £58 to £61 and the upper earnings limit from £440 to £455.

Regulation 2(3) revokes regulation 115 of the principal Regulations, which reduced the rate of Class 1 contributions payable in respect of earnings by serving members of H.M. forces and the Crown as their employer.

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) and 2(3) 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, Deregulation Unit, 11th Floor, Adelphi, 1-11 John Adam Street, London WC2N 6HT.