
STATUTORY RULES OF NORTHERN IRELAND

1999 No. 118

SOCIAL SECURITY

The Social Security (Contributions and Credits) (Miscellaneous Amendments) Regulations (Northern Ireland) 1999

*Made - - - - 15th March 1999
Coming into operation in accordance with
regulation 1(1)*

The Department of Health and Social Services for Northern Ireland, in exercise of the powers conferred on it by sections 3(2), (2A), (3) and (5), 5(1), 6(1), 8(1), 9(1), 14(1), 17(1) and (2), 19(1) to (3), 22(5), 119 and 171(1) to (4) of, and paragraphs 4(a), 6(1) and 8(1)(a), (m) and (q) of Schedule 1 to, the Social Security Contributions and Benefits (Northern Ireland) Act 1992(1) and section 142(12) of the Social Security Administration (Northern Ireland) Act 1992(2) and of all other powers enabling it in that behalf, and with the concurrence of the Inland Revenue in so far as their concurrence is required, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Contributions and Credits) (Miscellaneous Amendments) Regulations (Northern Ireland) 1999 and shall come into operation—

- (a) for the purposes of regulations 9 and 10, on 6th April 1999 immediately after the coming into operation of regulations 2(e) and 3(a)(ii) and (b) of the Social Security (Contributions), Statutory Maternity Pay and Statutory Sick Pay (Miscellaneous Amendments) Regulations (Northern Ireland) 1999(3);
- (b) for all other purposes, on 6th April 1999.

(2) In these Regulations “the principal Regulations” means the Social Security (Contributions) Regulations (Northern Ireland) 1979(4).

(1) 1992 c. 7; section 3(2A) was inserted by Article 45 of, section 3(5) was added by Article 46 of, sections 5(1), 6(1), 8(1) and 9 were substituted by Article 48 of, and paragraph 6(1) was amended by paragraph 58(8) of Schedule 6 to, the Social Security (Northern Ireland) Order 1998 (S.I.1998/1506 (N.I. 10)); section 22(5) was amended by paragraph 5 of Schedule 2 to the Jobseekers (Northern Ireland) Order 1995 (S.I. 1995/2705 (N.I. 15))

(2) 1992 c. 8

(3) S.R. 1999 No. 117

(4) S.R. 1979 No. 186; relevant amending regulations are S.R. 1980 No. 463, S.R. 1981 No. 30, S.R. 1982 Nos. 69 and 267, S.R. 1983 No. 64, S.R. 1984 No. 43, S.R. 1985 Nos. 61 and 260, S.R. 1987 Nos. 143 and 468, S.R. 1989 Nos. 70 and 384, S.R. 1991 Nos. 106 and 404, S.R. 1992 Nos. 41 and 280, S.R. 1996 Nos. 108 and 433, S.R. 1997 No. 163, S.R. 1998 Nos. 72 and 317 and S.R. 1999 No. 117

Amendment of the Social Security (Credits) Regulations

2. In the Social Security (Credits) Regulations (Northern Ireland) 1975(5)—

- (a) in regulation 2(1) (interpretation) in the definition of “relevant earnings factor”(6), and
- (b) in regulation 9(a)(7) (crediting of earnings for the purposes of entitlement to short-term incapacity benefit — further conditions),

for “upon which” in each place where it occurs there shall be substituted “in respect of which”.

Amendment of regulation 1 of the principal Regulations

3. In regulation 1 of the principal Regulations (citation, commencement and interpretation)—

(a) in paragraph (2)—

- (i) for the definition of “contracted-out rate” there shall be substituted the following definition—

““contracted-out rate” means, in relation to Class 1 contributions payable in respect of earnings paid to or for the benefit of an earner who is in—

- (a) COSRS employment(8), the reduced amount for the time being applying in accordance with section 37(1) to (1B) of the Pension Schemes (Northern Ireland) Act 1993(9) (reduced rates of Class 1 contributions);
- (b) COMPS employment(10), the reduced amount for the time being applying in accordance with section 38A(1) to (2A)(11) of the Pension Schemes (Northern Ireland) Act 1993 (reduced rates of Class 1 contributions, and rebates);”;

- (ii) for the definition of “non-contracted-out rate”(12) there shall be substituted the following definition—

““non-contracted-out rate” means, in relation to Class 1 contributions payable in respect of earnings paid to or for the benefit of an earner in non-contracted-out employment, the primary percentage for the time being specified in section 8(2)(13) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992;”;

- (iii) for the definition of “normal percentage” there shall be substituted the following definition—

““normal rate” means the amount of a Class 1 contribution which would be payable in respect of earnings paid to or for the benefit of an employed earner in any week if the employment were not contracted-out employment;”;

- (iv) after the definition of “regular interval” there shall be inserted the following definition—

(5) [S.R. 1975 No. 113](#); relevant amending regulations are [S.R. 1987 No. 153](#) and [S.R. 1996 No. 430](#)

(6) Definition of “relevant earnings factor” was substituted by [S.R. 1987 No. 153](#) and amended by [S.R. 1996 No. 430](#)

(7) Regulation 9 was substituted by [S.R. 1996 No. 430](#)

(8) Definition of “COSRS employment” was inserted by [S.R. 1996 No. 433](#)

(9) [1993 c. 49](#); section 37(1) to (1B) is substituted by paragraph 95 of Schedule 6 to the Social Security (Northern Ireland) Order 1998

(10) Definition of “COMPS employment” was inserted by [S.R. 1996 No. 433](#)

(11) Section 38A was inserted by Article 134(4) of the Pensions (Northern Ireland) Order 1995 (S.I. [1995/3213 \(N.I. 22\)](#)) and subsections (1) to (2A) are substituted by paragraph 96 of Schedule 6 to the Social Security (Northern Ireland) Order 1998

(12) Definition of “non-contracted-out rate” was amended by [S.R. 1985 No. 260](#) and [S.R. 1989 No. 384](#)

(13) Section 8(2) was substituted by Article 48(3) of the Social Security (Northern Ireland) Order 1998

“retirement benefits scheme” has the meaning assigned to it in section 611 of the Income and Corporation Taxes Act 1988(14);”;

(v) for the definition of “secondary contributor” there shall be substituted the following definition—

“secondary contributor” means the person who, in respect of earnings from employed earner’s employment, is liable to pay a secondary Class 1 contribution under section 6(3)(b) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992;”;

(b) in paragraph (3)(15) for “and 46” there shall be substituted “, 46(16) and 125(17)”.

Substitution of regulation 7 of the principal Regulations

4. For regulation 7(18) of the principal Regulations (lower and upper earnings limits) there shall be substituted the following regulation—

“Lower and upper earnings limits and earnings threshold

7. For the purposes of section 5(1) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (earnings limits and earnings threshold for Class 1 contributions), for the year which begins on 6th April 1999—

- (a) the lower earnings limit (for primary Class 1 contributions) for that year shall be £66;
- (b) the upper earnings limit (for primary Class 1 contributions) for that year shall be £500;
- (c) the earnings threshold (for secondary Class 1 contributions) for that year shall be—
 - (i) £83 per week where the earnings period is a week;
 - (ii) £361 per month where the earnings period is a month;
 - (iii) £4,335 per year where the earnings period is a year.”.

Substitution of regulation 8 of the principal Regulations

5. For regulation 8(19) of the principal Regulations (equivalent amounts) there shall be substituted the following regulation—

“Equivalent amounts

8.—(1) The equivalent amounts for the purposes of sections 6(1), 8(1) and 9(1) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (liability for Class 1 contributions, calculation of primary Class 1 contributions and calculation of secondary Class 1 contributions) and sections 37(1) and 38A(1) of the Pension Schemes (Northern Ireland) Act 1993 (reduced rates of Class 1 contributions and reduced rates of Class 1 contributions, and rebates) shall be determined in accordance with the following provisions of this regulation.

(14) 1988 c. 1

(15) Paragraph (3) was added by S.R. 1998 No. 317

(16) Regulation 46 was amended by S.R. 1992 No. 41 and S.R. 1999 No. 117

(17) Regulation 125 was amended by S.R. 1989 No. 70 and is substituted by regulation 19 of these Regulations

(18) Regulation 7 was amended by S.R. 1980 No. 463 and S.R. 1998 No. 72

(19) Regulation 8 was amended by S.R. 1987 Nos. 143 and 468 and S.R. 1989 No. 384

(2) The respective equivalent amounts for the purposes of sections 6(1)(a) and 8(1) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 and sections 37(1) and 38A(1) of the Pension Schemes (Northern Ireland) Act 1993 shall be—

- (a) where the earnings period is a multiple of a week, the amounts calculated by multiplying the weekly lower and upper earnings limits (“the weekly limits”) by the corresponding multiple;
- (b) where the earnings period is a month, the amounts calculated by multiplying each of the weekly limits by $4\frac{1}{3}$;
- (c) where the earnings period is a multiple of a month, the amounts calculated by multiplying each of the weekly limits by $4\frac{1}{3}$ and multiplying each product by the corresponding multiple;
- (d) in any other case, the amounts calculated by dividing each of the weekly limits by 7 and multiplying each product by the number of days in the earnings period concerned.

(3) The respective equivalent amount for the purpose of sections 6(1)(b) and 9(1) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 shall be—

- (a) where the earnings period is a multiple of a week, the amount calculated by dividing the annual earnings threshold by 52 and multiplying the product by the corresponding multiple;
- (b) where the earnings period is a multiple of a month, the amount calculated by dividing the annual earnings threshold by 12 and multiplying the product by the corresponding multiple;
- (c) in any other case, the amount calculated by dividing the annual earnings threshold by 365 and multiplying the product by the number of days in the earnings period concerned,

and for the purposes of this paragraph “annual earnings threshold” means the earnings threshold applicable to an earnings period of a year specified in regulation 7(c)(iii) of these Regulations.

(4) The amounts determined in accordance with—

- (a) paragraph (2)(b) and (c);
- (b) paragraph (3)(a) and (b),

of this regulation, if not whole pounds, shall be rounded up to the next whole pound.

(5) The calculation prescribed in—

- (a) paragraph (2)(d);
- (b) paragraph (3)(c),

of this regulation shall to be the nearest £0.01 and any amount of £0.005 or less shall be disregarded.”

Revocation of regulation 8A of the principal Regulations

6. Regulation 8A(20) of the principal Regulations (equivalent earnings brackets for earners paid otherwise than weekly) is hereby revoked.

Amendment of regulation 9 of the principal Regulations

7. In regulation 9(21) of the principal Regulations (calculation of earnings-related contributions)

(a) for paragraph (1) there shall be substituted the following paragraph—

“(1) Subject to the provisions of paragraphs (3) and (4) of this regulation, earnings-related contributions shall be calculated in accordance with the following provisions of this paragraph—

(a) primary and secondary Class 1 contributions under section 6(22) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (liability for Class 1 contributions) and any primary and secondary Class 1 contributions at the normal rate and at the contracted-out rate shall each be calculated separately; and

(b) as regards the calculation referred to in sub-paragraph (a) of this paragraph—

(i) primary and secondary Class 1 contributions shall be calculated to the nearest £0.01 and any amount of £0.005 or less shall be disregarded;

(ii) earnings which in the relevant earnings period exceed the current lower earnings limit by £0£01, but not by more than £0.10, shall be treated as having exceeded that limit by £0.10.”;

(b) in paragraph (5) for “paragraph 1(1) of Schedule 1 to the Act” there shall be substituted “paragraph 1(1) of Schedule 1 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (Class 1 contributions where earner employed in more than one employment)”.

Substitution of regulation 17 of the principal Regulations

8. For regulation 17(23) of the principal Regulations (annual maximum) there shall be substituted the following regulation—

“Annual maximum

17. Subject to the provisions of section 12 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (late paid Class 2 contributions) and of regulations 43B, 43C and 43D(24) of these Regulations, for the purposes of section 19(1) and (2) of that Act (power to prescribe maximum amounts of contributions and repayment of excess) where an earner is employed in more than one employment but without prejudice to the earner’s liability in the first instance for the full amounts payable apart from this regulation, liability in any year for primary Class 1 contributions, or, where both Class 1 and Class 2 contributions are payable by an earner in any year, for both primary Class 1 contributions and Class 2 contributions shall not exceed an amount equal to 53 primary Class 1 contributions at the primary percentage payable on earnings at the upper earnings limit for that year.”.

(21) Regulation 9 was amended by [S.R. 1985 No. 260](#)

(22) Section 6 was amended by Schedule 1 to the Employment Rights (Northern Ireland) Order 1996 (S.I. 1996/1919 (N.I. 16)) and Article 48(2) of the Social Security (Northern Ireland) Order 1998 and is amended by paragraph 39 of Schedule 6 to that Order

(23) Regulation 17 was amended by [S.R. 1985 No. 61](#)

(24) Regulations 43B to 43D were inserted by [S.R. 1985 No. 61](#) and amended by [S.R. 1985 No. 260](#) and [S.R. 1991 No. 404](#)

Amendment of regulation 18 of the principal Regulations

9. In regulation 18 of the principal Regulations (calculation of earnings) after paragraph (20)(25) there shall be added the following paragraph—

“(21) Where, pursuant to a retirement benefits scheme, a payment is made with a view to the provision of any benefits under such a scheme in relation to more than one person, the amount of earnings which is comprised in such a payment and which falls to be taken into account in the computation of each of those person’s earnings shall, for the purposes of earnings-related contributions, be calculated or estimated on the basis of—

- (a) where the separate benefits to be provided to each of them respectively are known at the time of the payment, separate payments which would have had to have been paid to secure those benefits;
- (b) where the separate benefits to be provided to each of them respectively are not known at the time of the payment, an equal part thereof.”.

Amendment of regulation 19 of the principal Regulations

10. In regulation 19 of the principal Regulations (payments to be disregarded)—

(a) after sub-paragraph (zi)(26) of paragraph (1) there shall be added the following sub-paragraphs—

“(zj) a payment—

- (i) to which section 595(27) of the Income and Corporation Taxes Act 1988 (charge to tax in respect of certain sums paid by an employer etc.) does not apply by virtue of section 596(1) or (2)(b)(28) of that Act (exceptions from section 595);
- (ii) to a pilots' benefit fund under section 607(29) of the Income and Corporation Taxes Act 1988 (pilots' benefit fund);
- (iii) to which section 608 of the Income and Corporation Taxes Act 1988 (superannuation funds approved before 6th April 1980) applies;
- (iv) by way of any benefit pursuant to a scheme or fund falling within head (i), (ii) or (iii) of this sub-paragraph;

(zk) a payment by way of relevant benefits pursuant to a retirement benefits scheme which has not been approved by the Board of Inland Revenue for the purposes of Chapter I of Part XIV of the Income and Corporation Taxes Act 1988 (retirement benefit schemes) and attributable to payments prior to 6th April 1998; and for the purposes of this sub-paragraph “relevant benefits” has the meaning assigned to it in section 612 of the Income and Corporation Taxes Act 1988;

(zl) a payment by way of any benefit pursuant to a retirement benefits scheme which has not been approved by the Board of Inland Revenue for the purposes of Chapter I of Part XIV of the Income and Corporation Taxes Act 1988 and attributable to payments on, or after, 6th April 1998 which have previously been included in a person’s earnings for the purposes of his assessment of earnings-related contributions;

(25) Paragraph (20) was added by [S.R. 1999 No. 117](#)

(26) Sub-paragraph (zi) was added by [S.R. 1999 No. 117](#)

(27) Section 595 was amended by paragraph 7 of Schedule 6 to the Finance Act [1989 \(c. 26\)](#)

(28) Section 596 was amended by paragraph 8 of Schedule 6 to the Finance Act 1989

(29) Section 607 was amended by section 104(2) of the Finance Act [1994 \(c. 9\)](#)

- (zm) a payment made in respect of a scheme which is bona fide established for the sole purpose of providing relevant benefits, where at the time of the payment—
- (i) an application for approval of the scheme has been made to the Board of Inland Revenue in accordance with section 604(30) of the Income and Corporation Taxes Act 1988 (application for approval of a scheme);
 - (ii) that application has not been rejected;
 - (iii) the payment represents contributions in respect of an employed earner's earnings not in excess of the permitted maximum in force at the time it is made;
 - (iv) the terms of the scheme do not permit any pension payable under it, in whole or in part, to be surrendered, commuted or assigned except in so far as to allow an employed earner on retirement to obtain, by commutation of his pension, a lump sum or sums not exceeding in all three-eighths of his final remuneration for each year of his service up to a maximum of 40;
 - (v) where the scheme is connected with another scheme or schemes each of which is an approved scheme, the amount payable by way of pension or commuted pension under the scheme will not, when aggregated with any amount payable by way of pension or commuted pension under the other scheme or schemes, exceed the relevant amount, and
 - (vi) in the case of a small self-administered scheme, the provisions of regulation 9 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-administered Schemes) Regulations 1991(31) (provisions as to pensioner trustees) have been satisfied,
- but this sub-paragraph shall not apply to a small self-administered scheme to which the provisions of regulation 3 of those Regulations (restrictions on the Board's discretion) apply;
- (zn) payment to a pension scheme which is afforded relief from taxation by virtue of—
- (i) Article 25(8) of the Convention set out in the Schedule to the Double Taxation Relief (Taxes on Income) (France) Order 1968(32);
 - (ii) Article 17A of the Convention set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Republic of Ireland) Order 1976(33) (pension scheme contributions); and for the purposes of this head that Article shall be read as if “or is being considered for approval” were omitted;
 - (iii) Article 28(3) of the Convention set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Denmark) Order 1980(34) (miscellaneous rules).”;
- (b) after paragraph (11)(35) there shall be added the following paragraph—
- “(12) For the purposes of paragraph (1)(zm) of this regulation—
- (a) “relevant benefits” has the meaning assigned to it in section 612 of the Income and Corporation Taxes Act 1988;

(30) Section 604 was amended by paragraph 3 of Schedule 15 to the Finance Act 1998 (c. 36)

(31) S.I. 1991/1614

(32) S.I. 1968/1869; paragraph (8) was added by Article 16 of the Protocol set out in the Schedule to S.I. 1987/2055

(33) S.I. 1976/2151; Article 17A was inserted by Article I of the Protocol set out in the Schedule to S.I. 1995/764

(34) S.I. 1980/1960; paragraph (3) was deleted and replaced by Article X(2) of the Protocol set out in Part I of the Schedule to S.I. 1996/3165

(35) Paragraph (11) was added by S.R. 1999 No. 117

- (b) “permitted maximum” shall be the amount for the time being specified in an order made under section 590C(6)(36) of the Income and Corporation Taxes Act 1988 (earnings cap);
- (c) whether or not a scheme is connected with another scheme or schemes shall be determined in accordance with the provisions of section 590A(2) to (4) of the Income and Corporation Taxes Act 1988 (section 590: supplementary provisions);
- (d) “relevant amount”, in the case of a pension which is not a commuted pension, shall be determined in accordance with the provisions of section 590B(3) and (7) to (11)(37) of the Income and Corporation Taxes Act 1988 (section 590: further supplementary provisions) and, in the case of a pension which is a commuted pension, in accordance with the provisions of section 590B(4) and (7) to (11) of that Act;
- (e) “small self-administered scheme” has the meaning assigned to it in regulation 2(1) of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-administered Schemes) Regulations 1991.”.

Amendment of regulation 28 of the principal Regulations

11. In regulation 28 of the principal Regulations (precluded Class 3 contributions)—

- (a) in paragraph (1)(38) for “upon which” in each place where it occurs there shall be substituted “in respect of which”;
- (b) in paragraph (3) for “Article 7(3) of the Pensions Order” there shall be substituted “section 121(1) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992”.

Amendment of regulation 32 of the principal Regulations

12. In regulation 32 of the principal Regulations (return of contributions)—

- (a) in paragraph (1)(b)(39) for “standard rate contribution” there shall be substituted “contribution at the primary percentage”;
- (b) in paragraph (2)(c) for “standard rate” there shall be substituted “primary percentage”;
- (c) for sub-paragraphs (d) and (e)(40) of paragraph (2) there shall be substituted the following sub-paragraphs—
 - “(d) any amount of primary Class 1 contributions reduced in accordance with section 37(1) and (1A) of the Pension Schemes (Northern Ireland) Act 1993 (reduced rates of Class 1 contributions) in respect of COSRS employment as specified in head (i), (ii) or (iii) of this sub-paragraph—
 - (i) where the amount paid at the contracted-out rate is equal to or exceeds 53 times the amount payable on earnings at the upper earnings limit for that year, the amount paid at the normal rate in excess of 53 times the amount, calculated at the primary percentage specified in section 8(2) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (calculation of primary Class 1 contributions), payable on earnings at the

(36) Sections 590A to 590C were inserted by paragraph 4 of Schedule 6 to the Finance Act 1989

(37) Subsection (11) was amended by section 107(6) of the Finance Act 1993 (c. 34)

(38) Paragraph (1) was amended by S.R. 1987 No. 143

(39) Sub-paragraph (b) was substituted by S.R. 1992 No. 41

(40) Sub-paragraphs (d) and (e) were substituted by S.R. 1996 No. 433

- lower earnings limit for that year and the amount paid at the contracted-out rate if any;
- (ii) where the amount paid at the contracted-out rate is less than 53 times the amount payable on earnings at the upper earnings limit for that year, the amount paid at the normal rate;
 - (iii) where no amount has been paid at the contracted-out rate, the amount paid at the normal rate;
- (e) any amount of primary Class 1 contributions reduced in accordance with section 38A(1) and (2) of the Pension Schemes (Northern Ireland) Act 1993 (reduced rates of Class 1 contributions, and rebates) in respect of COMPS employment as specified in head (i), (ii) or (iii) of this sub-paragraph—
- (i) where the amount paid at the contracted-out rate is equal to or exceeds 53 times the amount payable on earnings at the upper earnings limit for that year, the amount paid at the normal rate in excess of 53 times the amount, calculated at the primary percentage specified in section 8(2) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, payable on earnings at the lower earnings limit for that year and the amount paid at the contracted-out rate if any;
 - (ii) where the amount paid at the contracted-out rate is less than 53 times the amount payable on earnings at the upper earnings limit for that year, the amount paid at the normal rate;
 - (iii) where no amount has been paid at the contracted-out rate, the amount paid at the normal rate.”.

Insertion of regulation 32A into the principal Regulations

13. After regulation 32 of the principal Regulations there shall be inserted the following regulation—

“Return of contributions — further provisions

32A.—(1) Paragraph (2) of this regulation applies where—

- (a) payment is made in respect of a scheme bona fide established for the sole purpose of providing relevant benefits;
- (b) earnings-related contributions have been paid by a person or a secondary contributor in respect of any such payment;
- (c) that payment is made prior to the approval of that scheme for the purposes of Chapter I of Part XIV of the Income and Corporation Taxes Act 1988 (retirement benefit schemes); and
- (d) the scheme is subsequently approved by the Board of Inland Revenue.

(2) The earnings-related contributions paid in respect of any payment referred to in paragraph (1)(a) of this regulation for the period in respect of which the approval referred to in paragraph (1)(d) of this regulation operates, shall be returned to the person or secondary contributor who paid them if an application to that effect is made in writing to the Department within the period of 6 years from the date from which the Board of Inland Revenue’s approval of that scheme operates.

(3) For the purposes of this regulation “relevant benefits” has the meaning assigned to it in section 612 of the Income and Corporation Taxes Act 1988.”.

Amendment of regulation 36 of the principal Regulations

14. In regulation 36 of the principal Regulations(41) (crediting of Class 3 contributions) for “upon which” there shall be substituted “in respect of which”.

Amendment of regulation 49 of the principal Regulations

15. In regulation 49(3) of the principal Regulations (exception in relation to earnings to which regulation 48 applies) for “the rate applicable to the earner on earnings at the upper earnings limit” in both places where it occurs there shall be substituted “the primary percentage payable on earnings at the upper earnings limit for that year”.

Amendment of regulation 60 of the principal Regulations

16. In regulation 60(42) of the principal Regulations (exception from Class 4 liability by reference to Class 1 contributions paid on earnings chargeable to income tax under Schedule D)—

(a) for paragraph (1) there shall be substituted the following paragraph—

“(1) Subject to the provisions of paragraph (2) of this regulation, where in respect of earnings paid in any year of assessment an earner has or, but for the provisions of regulation 49 of these Regulations, would have paid Class 1 contributions and those earnings are chargeable to income tax under Schedule D, he shall be excepted from liability to pay contributions under section 15(1), (2) and (5) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(43) (Class 4 contributions recoverable under the Income Tax Acts) on so much of his profits or gains for that year of assessment as exceed the smaller of the 2 money sums specified in section 15(3)(44) of that Act and do not exceed the greater of those 2 money sums and equal—

- (a) in the case of an earner who has or, but for the said provisions, would have paid Class 1 contributions at the normal rate, the value of Class 1 contributions so paid or which, but for the said provisions, would have been paid, multiplied by 100 and divided by the figure of the primary percentage;
- (b) in the case of an earner who has or, but for the said provisions, would have paid Class 1 contributions at the reduced rate, the value of the Class 1 contributions so paid or which, but for the said provisions, would have been paid, multiplied by 100 and divided by the figure of the reduced rate;
- (c) in the case of an earner who has or, but for the said provisions, would have paid Class 1 contributions at the contracted-out rate, the value of the Class 1 contributions so paid or which, but for the said provisions, would have been paid, multiplied by 100 and divided by the figure of the contracted-out rate.”;

(b) in paragraph (4) for “section 9(2) of the Act” there shall be substituted “section 15(3) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992”.

Amendment of regulation 66 of the principal Regulations

17. In regulation 66(2) of the principal Regulations (annual maximum of Class 4 contributions due under section 9(1) of the Act) for the words “paid at a rate less” to the end of the paragraph there shall be substituted “paid at less than the primary percentage specified in section 8(2) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (calculation of primary Class 1

(41) S.R. 1979 No. 186; regulation 36 was amended by S.R. 1987 No. 143

(42) Regulation 60 was amended by S.R. 1985 No. 260 and S.R. 1989 No. 384

(43) 1992 c. 7

(44) Section 15(3) is amended by S.R. 1999 No. 51

contributions) shall be treated as equal to the amount of any primary Class 1 contributions payable at that percentage on the same amount of earnings.”.

Amendment of regulation 113 of the principal Regulations

18. In regulation 113(3)(a) of the principal Regulations (Class 2 and Class 3 contributions for periods abroad)—

- (a) for “the Act” there shall be substituted “the Social Security Contributions and Benefits (Northern Ireland) Act 1992”;
- (b) for “Class 1 contributions” there shall be substituted “primary Class 1 contributions”.

Substitution of regulation 125 of the principal Regulations

19. For regulation 125 of the principal Regulations (modification of section 128(4) of the Act) there shall be substituted the following regulation—

“Modification of section 142(5) of the Social Security Administration (Northern Ireland) Act 1992

125. In section 142 of the Social Security Administration (Northern Ireland) Act 1992(**45**) (destination of contributions), subsection (5)(**46**) (meaning of “the appropriate health service allocation”) shall be modified, in the case of contributions paid at the rate reduced in accordance with regulation 87(1) of these Regulations, as if, instead of the percentage figure specified in paragraph (b) of that subsection, there were the percentage figure “0.6”.”.

Amendment of Schedule 1 to the principal Regulations

20.—(1) Schedule 1 to the principal Regulations (application of Income Tax (Employments) Regulations 1973(**47**) to earnings-related contributions, Class 1A contributions and Class 1B contributions) shall be amended in accordance with paragraphs (2) to (6) of this regulation.

(2) In Regulation 2(1) (interpretation) for the definition of “contracted-out percentage” there shall be substituted the following definition—

““contracted-out rate” means, in relation to Class 1 contributions payable in respect of earnings paid to or for the benefit of an earner who is in—

- (a) COSRS employment, the reduced amount for the time being applying in accordance with section 37(1) to (1B) of the Pension Schemes (Northern Ireland) Act 1993(**48**) (reduced rates of Class 1 contributions);
- (b) COMPS employment, the reduced amount for the time being applying in accordance with section 38A(1) to (2A)(**49**) of the Pension Schemes (Northern Ireland) Act 1993 (reduced rates of Class 1 contributions, and rebates);”.

(3) In Regulation 13 (calculation of deduction)—

(45) 1992 c. 8

(46) Subsection (5) was amended by Article 4(1) of the Social Security (Contributions) (Northern Ireland) Order 1994 (S.I. 1994/765 (N.I. 4)) and is amended by Article 61(2) of, and paragraph 77(3) of Schedule 6 to, the Social Security (Northern Ireland) Order 1998 (S.I. 1998/1506 (N.I. 10))

(47) S.I. 1973/334; this and its subsequent amending instruments were consolidated as S.I. 1993/744

(48) 1993 c. 49; section 37(1) to (1B) is substituted by paragraph 95 of Schedule 6 to the Social Security (Northern Ireland) Order 1998

(49) Section 38A was inserted by Article 134(4) of the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) and subsections (1) to (2A) are substituted by paragraph 96 of Schedule 6 to the Social Security (Northern Ireland) Order 1998

(a) for paragraph (6)(50) there shall be substituted the following paragraph—

“(6) Subject to the provisions of paragraph (6B)(51) of this Regulation and Regulations 13A(b)(52) and 26D(4)(53), the employer shall record on the deductions working sheet for that employee the name and national insurance number of the employee, the year to which the working sheet relates, the appropriate category letter from time to time being in relation to the employee (being the appropriate category letter indicated by the Department) and, in so far as relevant to that category letter, the following particulars regarding every payment of emoluments which he makes to the employee namely—

- (a) the date of payment;
- (b) the amount of—
 - (i) earnings up to and including the current lower earnings limit where earnings equal or exceed that figure;
 - (ii) earnings which exceed the current lower earnings limit but do not exceed the current earnings threshold;
 - (iii) earnings which exceed the current earnings threshold but do not exceed the current upper earnings limit;
 - (iv) the primary Class 1 contributions payable on the amounts recorded under heads (i) to (iii) of this sub-paragraph together with the secondary Class 1 contributions payable on all earnings in respect of which such contributions are payable; but this head shall not apply to such contributions payable on earnings under paragraph (2A)(54) of this Regulation;
 - (v) the primary Class 1 contributions included in the amount recorded under head (iv) of this sub-paragraph;
 - (vi) any statutory maternity pay;
- (c) when the employment is contracted-out employment the amount of any reduction calculated in accordance with sections 37(1) to (1B) and 38A(1) to (2A) of the Pension Schemes (Northern Ireland) Act 1993 (reduced rates of Class 1 contributions and reduced rates of Class 1 contributions, and rebates) on the amount of a Class 1 contribution in respect of earnings recorded under head (ii) of sub-paragraph (b) of this paragraph.”;

(b) in paragraph (6B) for “heads (iii) and (iv)” there shall be substituted “heads (iv) and (v)”.

(4) In Regulation 25(a)(ii) and (v)(55) (certificate of contributions paid) for “contracted-out percentage” there shall be substituted “contracted-out rate”.

(5) In Regulation 30(1)(56) (return by employer at end of year)—

(a) for sub-paragraph (c)(57) there shall be substituted the following sub-paragraph—

“(c) in respect of each and under each of the category letters, the total amounts for the year shown under—

(50) Paragraph (6) was amended by S.R. 1981 No. 30, S.R. 1983 No. 64, S.R. 1984 No. 43, S.R. 1987 No. 143, S.R. 1991 No. 106, S.R. 1992 No. 280 and S.R. 1996 No. 108

(51) Paragraph (6B) was amended by S.R. 1983 No. 64

(52) Regulation 13A was inserted by S.R. 1992 No. 41 and amended by S.R. 1992 No. 280 and S.R. 1996 No. 433

(53) Regulation 26D was inserted by S.R. 1992 No. 280 and amended by S.R. 1997 No. 163

(54) Paragraph (2A) was amended by S.R. 1982 No. 267, S.R. 1983 No. 64, S.R. 1984 No. 43 and S.R. 1999 No. 117

(55) Regulation 25 was inserted by S.R. 1984 No. 43 and amended by S.R. 1992 No. 280

(56) Regulation 30(1) was substituted by S.R. 1981 No. 30

(57) Sub-paragraph (c) was amended by S.R. 1983 No. 64 and S.R. 1992 No. 280

- (i) each of the heads (i) to (v) severally of Regulation 13(6)(b) (such amounts being rounded down to the next whole pound if not already whole pounds in the case of heads (i) to (iii)), and
- (ii) Regulation 13(6)(c), and”;
- (b) sub-paragraphs (f)(**58**) and (g)(**59**) shall be omitted;
- (c) in sub-paragraph (h)(**60**) for “head (iii)” there shall be substituted “head (iv)”.
- (6) In Regulation 30A(2)(f)(i) and (h)(**61**) (special return by employer at end of voyage period) for “contracted-out percentage” there shall be substituted “contracted-out rate”.

Revocations

21. The regulations specified in column (1) of the Schedule to these Regulations are hereby revoked to the extent mentioned in column (3) of that Schedule.

Sealed with the Official Seal of the Department of Health and Social Services for Northern Ireland
on

L.S.

12th March 1999.

John O'Neill
Assistant Secretary

The Commissioners of Inland Revenue hereby concur.

15th March 1999

S. C. T. Matheson
G. H. Bush
Two of the Commissioners of Inland Revenue

(58) Sub-paragraph (f) was added by [S.R. 1987 No. 143](#)

(59) Sub-paragraph (g) was substituted by [S.R. 1992 No. 280](#)

(60) Sub-paragraph (h) was substituted by [S.R. 1992 No. 280](#)

(61) Regulation 30A was inserted by [S.R. 1982 No. 69](#); sub-paragraph (f) was amended by [S.R. 1992 No. 280](#) and sub-paragraph (h) was added by [S.R. 1987 No. 143](#) and amended by [S.R. 1992 No. 280](#)

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SCHEDULE

Regulation 21

Revocations

Column (1) <i>Citation</i>	Column (2) <i>Statutory Rule</i>	Column (3) <i>Extent of Revocation</i>
The Social Security (Contributions) (Amendment) Regulations (Northern Ireland) 1980	S.R. 1980 No. 463	Regulation 6(b)
The Social Security (Contributions) (Amendment) Regulations (Northern Ireland) 1981	S.R. 1981 No. 30	Regulation 2(5)(a)
The Social Security (Contributions) (Amendment No. 3) Regulations (Northern Ireland) 1983	S.R. 1983 No. 64	Regulation 4(6)(b) and (d) and (9)
The Social Security (Contributions) (Amendment) Regulations (Northern Ireland) 1984	S.R. 1984 No. 43	Regulation 16(2)(c)
The Social Security (Contributions) (Amendment No. 2) Regulations (Northern Ireland) 1985	S.R. 1985 No. 61	Regulation 4
The Social Security (Contributions and Credits) (Transitional and Consequential Provisions) Regulations (Northern Ireland) 1985	S.R. 1985 No. 260	Regulations 5(2)(a), (3) and (6) and 6(a)
The Social Security (Contributions) (Amendment No. 2) Regulations (Northern Ireland) 1987	S.R. 1987 No. 143	Regulations 5, 6 and 12(4)
The Social Security (Contributions) (Amendment No. 4) Regulations (Northern Ireland) 1987	S.R. 1987 No. 468	Regulations 2 and 3
The Social Security (Contributions) (Amendment) Regulations (Northern Ireland) 1989	S.R. 1989 No. 70	Regulation 2(4)
The Social Security (Contributions) (Transitional and Consequential Provisions)	S.R. 1989 No. 384	Regulation 3(3) to (6)

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Column (1) <i>Citation</i>	Column (2) <i>Statutory Rule</i>	Column (3) <i>Extent of Revocation</i>
Regulations (Northern Ireland) 1989		
The Social Security (Contributions) (Amendment No. 3) Regulations (Northern Ireland) 1991	S.R. 1991 No. 106	Regulation 4
The Social Security (Contributions) (Amendment No. 6) Regulations (Northern Ireland) 1992	S.R. 1992 No. 280	Regulation 3(2) and (11)(a)(i)
The Social Security (Contributions), Statutory Maternity Pay and Statutory Sick Pay (Miscellaneous Amendments) Regulations (Northern Ireland) 1996	S.R. 1996 No. 108	Regulation 2(3)
The Social Security (Contributions) (Amendment No. 5) Regulations (Northern Ireland) 1996	S.R. 1996 No. 433	Regulation 4(2)(b)
The Social Security (Contributions) (Amendment) Regulations (Northern Ireland) 1998	S.R. 1998 No. 72	The whole of the Regulations

EXPLANATORY NOTE

(This note is not part of the Regulations.)

These Regulations further amend the Social Security (Credits) Regulations (Northern Ireland) 1975 and the Social Security (Contributions) Regulations (Northern Ireland) 1979 (“the principal Regulations”).

Regulation 3(a) amends regulation 1(2) of the principal Regulations by substituting definitions of “contracted-out rate”, “non-contracted-out rate”, “normal rate” and “secondary contributor” and inserting a new definition of “retirement benefits scheme”.

Regulation 4 substitutes regulation 7 of the principal Regulations to specify the lower earnings limit, upper earnings limit and earnings threshold for the tax year beginning on 6th April 1999.

Regulation 5 substitutes regulation 8 of the principal Regulations to provide for the computation of primary and secondary Class 1 contributions where an employed earner’s earnings period is other than a week.

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Regulation 6 revokes regulation 8A of the principal Regulations which provided for the calculation of the amounts of equivalent earnings brackets for earnings paid otherwise than weekly.

Regulation 7(a) amends regulation 9 of the principal Regulations by substituting paragraph (1) to provide for the calculation of primary and secondary Class 1 contributions at the normal and contracted-out rates.

Regulation 8 substitutes regulation 17 of the principal Regulations to specify that liability in any year for primary Class 1 contributions, and in certain cases Class 2 contributions, shall not exceed an amount calculated in accordance with that regulation.

Regulation 9 amends regulation 18 of the principal Regulations by adding a new paragraph (21) to provide for the calculation of a person's earnings in respect of a payment pursuant to a retirement benefits scheme in relation to more than one person.

Regulation 10(a) amends regulation 19(1) of the principal Regulations by adding 5 new sub-paragraphs which exclude from the computation of a person's earnings for the purposes of earnings-related contributions—

- (a) payments to, and payments by way of benefits pursuant to, retirement benefits schemes referred to in section 596(1) or (2)(b) of the Income and Corporation Taxes Act 1988, pilots' benefit funds and superannuation funds approved before 6th April 1980 (new sub-paragraph (zj));
- (b) a payment by way of relevant benefits attributable to payments prior to 6th April 1998 and pursuant to a retirement benefits scheme which was not approved by the Board of Inland Revenue ("the Board") (new sub-paragraph (zk));
- (c) a payment by way of any benefit pursuant to a retirement benefits scheme which was not approved by the Board and attributable to payments on, or after, 6th April 1998 which have already been included in a person's earnings for the purposes of his assessment of earnings-related contributions (new sub-paragraph (zl));
- (d) a payment made to a scheme established for the sole purpose of providing relevant benefits where, at the time of payment, certain conditions are satisfied (new sub-paragraph (zm));
- (e) payments to pension schemes which are afforded relief from taxation under certain double taxation Conventions (new sub-paragraph (zn)).

Regulation 10(b) adds a new paragraph (12) to regulation 19 of the principal Regulations to make incidental provision for the purposes of the new sub-paragraph (zm).

Regulation 13 inserts a new regulation 32A into the principal Regulations to provide for the return, upon application, of earnings-related contributions paid in respect of a payment made to a retirement benefits scheme prior to it obtaining the Board's approval for the period in respect of which that approval is subsequently given.

Regulation 16(a) substitutes paragraph (1) of regulation 60 of the principal Regulations to provide for the calculation of an exception from liability to pay Class 4 contributions.

Regulation 20 amends Schedule 1 to the principal Regulations. Regulation 20(3)(a) substitutes Regulation 13(6) of Schedule 1 to require a deductions working sheet to be maintained in respect of employed earners and to specify the details to be recorded thereon. Regulation 20(5) amends Regulation 30(1) of Schedule 1 to specify the details to be recorded on a return made by an employer at the end of a tax year.

Regulation 21 and the Schedule contain consequential revocations.

Consequential amendments to regulations 2(1) and 9(a) of the Social Security (Credits) Regulations (Northern Ireland) 1975 and regulations 1(3), 9(5), 28, 32, 36, 49(3), 60(4), 66(2), 113(3)(a) and 125 of, and Regulations 2(1), 13(6B), 25(a) and 30A(2) of Schedule 1 to, the principal Regulations are made by regulations 2, 3(b), 7(b), 11, 12, 14, 15, 16(b), 17 to 19 and 20(2), (3)(b), (4) and (6) of these Regulations.

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Section 3(2A) and (5) of, and paragraph 6(1) of Schedule 1 to, the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (“the Act”), some of the enabling provisions under which these Regulations are made, were inserted, added and amended respectively by Articles 45 and 46 of, and paragraph 58(8) of Schedule 6 to, the Social Security (Northern Ireland) Order 1998 (“the Order”). The said Articles 45 and 46 were brought into operation on 9th September 1998 while the said paragraph 58(8) was brought into operation, for the purpose only of authorising the making of regulations, on that date and for all other purposes on 6th April 1999, by virtue of the Social Security (1998 Order) (Commencement No. 1) Order (Northern Ireland) 1998 ([S.R. 1998 No. 312 \(C. 15\)](#)). Sections 5(1), 6(1), 8(1) and 9 of the Act, some of the remaining enabling provisions, were substituted by Article 48 of the Order which was brought into operation, for the purpose only of authorising the making of regulations, on 24th February 1999 and for all other purposes on 6th April 1999, by virtue of the Social Security (1998 Order) (Commencement No. 3) Order (Northern Ireland) 1999 ([S.R. 1999 No. 72 \(C. 9\)](#)).

These Regulations correspond to provision contained in Regulations made by the Secretary of State for Social Security in relation to Great Britain and accordingly, by virtue of section 149(3) of, and paragraph 10 of Schedule 5 to, the Social Security Administration (Northern Ireland) Act 1992 ([c. 8](#)), are not subject to the requirement of section 149(2) of that Act for prior reference to the Social Security Advisory Committee.