

## 1991 No. 202

## SOCIAL SECURITY

**The Social Security (Earnings Factor) (Amendment)  
Regulations (Northern Ireland) 1991**

*Made* . . . . . 10th May 1991

*Coming into operation* . . . . . 6th June 1991

The Department of Health and Social Services for Northern Ireland, in exercise of the powers conferred on it by section 13(5) of the Social Security (Northern Ireland) Act 1975(a) and Articles 8(5A) and 37(3) of the Social Security Pensions (Northern Ireland) Order 1975(b) and of all other powers enabling it in that behalf, hereby makes the following regulations:

*Citation, commencement and interpretation*

1.—(1) These regulations may be cited as the Social Security (Earnings Factor) (Amendment) Regulations (Northern Ireland) 1991 and shall come into operation on 6th June 1991.

(2) In these regulations “the principal regulations” means the Social Security (Earnings Factor) Regulations (Northern Ireland) 1979(c).

(3) The Interpretation Act 1978(d) shall apply to these regulations as it applies to an Act of the United Kingdom Parliament.

*Amendment of regulation 4 of the principal regulations*

2. In regulation 4 of the principal regulations for “paragraph 7” there shall be substituted “paragraph 5”.

*Amendment of Part I of Schedule 1 to the principal regulations*

3. For Part I of Schedule 1 to the principal regulations (Class 1 contributions) there shall be substituted the Part I contained in the Schedule to these regulations.

*Revocation*

4. Regulation 2(3) of the Social Security (Earnings Factor) (Amendment) Regulations (Northern Ireland) 1988(e) is hereby revoked.

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- (a) 1975 c. 15; section 13(5) was amended by paragraph 4 of Schedule 3 to the Social Security (Northern Ireland) Order 1979 (S.I. 1979/396 (N.I. 5)), paragraph 1(4) of Schedule 8 to the Social Security (Northern Ireland) Order 1986 (S.I. 1986/1888 (N.I. 18)), paragraph 1(1)(a) of Schedule 2 to the Social Security (Northern Ireland) Order 1988 (S.I. 1988/594 (N.I. 2)) and Article 6(2) of the Social Security (Northern Ireland) Order 1989 (S.I. 1989/1342 (N.I. 13)). *See also* paragraph 1(1)(b) of the said Schedule 2
- (b) S.I. 1975/1503 (N.I. 15); Article 8(5A) was inserted by paragraph 8(b) of Schedule 5 to the Social Security (Northern Ireland) Order 1985 (S.I. 1985/1209 (N.I. 16)) and Article 37(3) was substituted by Article 11(1) of the Social Security (Northern Ireland) Order 1986. *See also* Article 2(3)
- (c) S.R. 1979 No. 193, amended by S.R. 1985 No. 263, S.R. 1987 Nos. 115 and 138 and S.R. 1988 No. 73
- (d) 1978 c. 30
- (e) S.R. 1988 No. 73

Sealed with the Official Seal of the Department of Health and Social Services for Northern Ireland on 10th May 1991.

(L.S.)

*A. N. Burns*

Assistant Secretary

## SCHEDULE

PART I OF SCHEDULE 1 TO THE PRINCIPAL REGULATIONS (RULES FOR THE ASCERTAINMENT OF EARNINGS FACTORS) AS SUBSTITUTED BY THESE REGULATIONS

“PART I

CLASS 1 CONTRIBUTIONS

1.—(1) In this Part of this Schedule—

“Class 1 contributions” means primary Class 1 contributions;

“contracted-out contributions” means Class 1 contributions paid on earnings in respect of a person’s contracted-out employment being earnings in excess of the current lower earnings limit or the prescribed equivalent if he is paid otherwise than weekly;

“the standard level” in relation to any year means that year’s lower earnings limit for Class 1 contributions multiplied by 50; and

each paragraph has effect subject to the provisions of all later paragraphs.

(2) Paragraphs 2, 3 and 4 below shall apply for the purposes specified in section 13(2) of the Act(a) and paragraph 5 below for the purposes of Article 37 of the Social Security Pensions (Northern Ireland) Order 1975(b) (earner’s guaranteed minimum).

2.—(1) Subject to sub-paragraph (2) below, a person’s earnings factor derived in respect of the year commencing on 6th April 1987, or any subsequent year, from—

(a) those of his earnings paid in that year upon which Class 1 contributions have been paid or treated as paid in respect of that year; and

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- (a) Section 13(2) was amended by paragraph 20(a) of Schedule 5 to the Social Security Pensions (Northern Ireland) Order 1975, the Schedule to the Social Security (No. 2) (Northern Ireland) Order 1980 (S.I. 1980/1087 (N.I. 13)) and Article 19(1) of, paragraph 1(1) of Schedule 8 to, and paragraph 46(a) of Schedule 9 to, the Social Security (Northern Ireland) Order 1986
- (b) Article 37(1) is modified by paragraph 2 of Schedule 3A to S.R. 1985 No. 243 and regulation 4(4) of S.R. 1987 No. 296; Article 37(2) was amended by paragraph 6 of Schedule 8 to the Social Security (Northern Ireland) Order 1986; Article 37(2A) was inserted by paragraph 1 of Schedule 6 to the Social Security (Northern Ireland) Order 1989; Article 37(3) was substituted by Article 11(1) of the Social Security (Northern Ireland) Order 1986; Article 37(4) was amended by paragraph 15 of Schedule 3 to the Social Security (Northern Ireland) Order 1979 (S.I. 1979/396 (N.I. 5)); Article 37(5) was amended by paragraph 19(a) of Schedule 3 to the Social Security (Northern Ireland) Order 1979 and paragraph 1(2) of Schedule 2 to the Social Security (Northern Ireland) Order 1988 and is modified by Article 17 of the Social Security (Miscellaneous Provisions) (Northern Ireland) Order 1977 (S.I. 1977/610 (N.I. 11)) (as amended by Article 4(3) of the Social Security (Northern Ireland) Order 1980 (S.I. 1980/870 (N.I. 8)), paragraph 6 of Schedule 3 to the Social Security (Northern Ireland) Order 1985 and paragraph 9 of Schedule 8 to the Social Security (Northern Ireland) Order 1986, regulation 41(a) of S.R. 1985 No. 259 and regulation 4(5) of S.R. 1987 No. 296; Article 37(6) was amended by Article 4(2) of the Social Security (Miscellaneous Provisions) (Northern Ireland) Order 1977; Article 37(6A) and (6B) was inserted by Article 11(2) of the Social Security (Northern Ireland) Order 1986; Article 37(7) was amended by paragraph 19(b) of Schedule 3 to the Social Security (Northern Ireland) Order 1979 and paragraphs 2 and 7 of Schedule 3 to the Social Security (Northern Ireland) Order 1985 and is modified by regulation 41(b) of S.R. 1985 No. 259 and regulation 4(6) of S.R. 1987 No. 296; Article 37(8) was amended by paragraph 8(a) of Schedule 3 to the Social Security (Northern Ireland) Order 1985 and is modified by paragraph 3 of Schedule 3A to S.R. 1985 No. 243 and regulation 4(7) of S.R. 1987 No. 296; Article 37(8A) was inserted by paragraph 8(b) of Schedule 3 to the Social Security (Northern Ireland) Order 1985

(b) earnings with which he has been credited in respect of that year, shall be equal to the amount of those actual and credited earnings.

(2) Any earnings factor ascertained under sub-paragraph (1) above shall be rounded down to the nearest whole pound.

3. Where a person's earnings paid in the year commencing on 6th April 1987, or in any subsequent year, are earnings upon which Class 1 contributions have been paid or treated as paid in respect of that year and are, or are to be, recorded as separate sums in the records of the Department of Social Security, the earnings factor derived from those earnings shall be equal to the aggregate of the amounts ascertained by rounding down each sum separately to the nearest whole pound.

4. Where Class 1 contributions have been paid or treated as paid in respect of the year commencing on 6th April 1987, or any subsequent year, upon a person's earnings paid in that year and, but for this paragraph, the ascertainment of any earnings factor of his in respect of such year by the application of paragraph 2 or 3 above would have the effect that—

(a) his earnings factor derived from those earnings; or

(b) the aggregate of his earnings factors derived from those earnings, and any earnings credited in respect of the same year, together with any derived from Class 2 or Class 3 contributions paid or credited in that year,

would fall short of—

(i) the qualifying earnings factor, by an amount not exceeding £50,

(ii) the standard level, by an amount not exceeding £50, or

(iii) one-half of the standard level, by an amount not exceeding £25,

the amount of that earnings factor as so ascertained shall, for the purpose of section 13(2)(a) of the Act, be increased by the amount of the shortfall, and the amount resulting shall be rounded up to the nearest whole pound.

5.—(1) Subject to sub-paragraphs (2) and (3) below, a person's earnings factor derived in respect of the year commencing on 6th April 1987, or any subsequent year, from those of his earnings in contracted-out employment upon which contracted-out contributions have been paid or treated as paid in respect of such year, shall be equal to the amount of those earnings.

(2) Any earnings factor ascertained under sub-paragraph (1) above shall be rounded down to the nearest whole pound.

(3) Where a person's earnings paid in the year commencing on 6th April 1987, or in any subsequent year, are earnings upon which contracted-out contributions have been paid or treated as paid in respect of that year and are, or are to be, recorded as separate sums in the records of the Department of Social Security, the earnings factor derived from those earnings shall be equal to the aggregate of the amounts ascertained by rounding down each sum separately to the nearest whole pound."

## EXPLANATORY NOTE

*(This note is not part of the Regulations.)*

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 10(2) of, and paragraph 21 of Schedule 3 to, the Social Security Act 1980 (c. 30), are not subject to the requirement of section 10(1) of that Act for prior reference to the Social Security Advisory Committee.

The regulations replace in consolidated form the provisions of Part I of Schedule 1 to the Social Security (Earnings Factor) Regulations (Northern Ireland) 1979 ("the principal regulations") as amended by the Social Security (Earnings Factor) (Amendment) Regulations (Northern Ireland) 1985 (S.R. 1985 No. 263), the Social Security (Earnings Factor) (Amendment) Regulations (Northern Ireland) 1987 (S.R. 1987 No. 115), the Social Security (Earnings Factor) (Amendment No. 2) Regulations (Northern Ireland) 1987 (S.R. 1987 No. 138) and by regulation 2(3) of the Social Security (Earnings Factor) (Amendment) Regulations (Northern Ireland) 1988 (S.R. 1988 No. 73). They also make a consequential amendment to regulation 4 of the principal regulations.

S.R. 1985 No. 263 and S.R. 1987 Nos. 115 and 138 were revoked by regulation 3 of S.R. 1988 No. 73. These regulations revoke regulation 2(3) of that statutory rule.

Schedule 1 to the principal regulations sets out the rules for ascertaining earnings factors derived, in respect of tax years beginning on or after 6th April 1987, from earnings on which primary Class 1 contributions have been paid or treated as paid. They do not apply to earnings factors for earlier years.