



Social Security Administration Act 1992

1992 CHAPTER 5

PART IX

ALTERATION OF CONTRIBUTIONS ETC.

141 Annual review of contributions

- (1) In each tax year the Secretary of State shall carry out a review of the general level of earnings in Great Britain taking into account changes in that level which have taken place since his last review under this section, with a view to determining whether, in respect of Class 2, 3 or 4 contributions, an order should be made under this section, to have effect in relation to the next following tax year.
- (2) For the purposes of any review under this section, the Secretary of State—
 - (a) shall estimate the general level of earnings in such manner as he thinks fit; and
 - (b) shall take into account any other matters appearing to him to be relevant to his determination whether or not an order should be made under this section, including the current operation of the Contributions and Benefits Act.
- (3) If the Secretary of State determines, as a result of a review under this section, that having regard to changes in the general level of earnings which have taken place, and to any other matters taken into account on the review, an order under this section should be made for the amendment of Part I of the Contributions and Benefits Act, he shall prepare and lay before each House of Parliament a draft of such an order framed so as to give effect to his conclusions on the review.
- (4) An order under this section may amend Part I of the Contributions and Benefits Act by altering any one or more of the following figures—
 - (a) the figure specified in section 11(1) as the weekly rate of Class 2 contributions;
 - (b) the figure specified in section 11(4) as the amount of earnings below which regulations under that subsection may except an earner from liability for Class 2 contributions;
 - (c) the figure specified in section 13(1) as the amount of a Class 3 contribution;

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- (d) the figures specified in section 15(3) as the lower and upper limits of profits or gains which are to be taken into account for the purposes of Class 4 contributions.
- (5) If an order under this section contains an amendment altering either of the figures specified in section 15(3) of the Contributions and Benefits Act, it shall make the same alteration of the corresponding figure specified in section 18(1) of that Act.
- (6) If the Secretary of State determines as a result of a review under this section that, having regard to his conclusions in respect of the general level of earnings and otherwise, no such amendments of Part I of the Contributions and Benefits Act are called for as can be made for the purposes of subsection (4) above, and determines accordingly not to lay a draft of an order before Parliament, he shall instead prepare and lay before each House of Parliament a report explaining his reasons for that determination.
- (7) In subsection (1) above in its application to the tax year 1992-93 the reference to the last review under this section shall be construed as a reference to the last review under section 120 of the 1975 Act.

142 Orders under s. 141 - supplementary

- (1) Where the Secretary of State lays before Parliament a draft of an order under section 141 above, he shall lay with it a copy of a report by the Government Actuary or the Deputy Government Actuary on the effect which, in that Actuary's opinion, the making of such an order may be expected to have on the National Insurance Fund; and, where he determines not to lay a draft order, he shall with the report laid before Parliament under section 141(6) above lay a copy of a report by the Government Actuary or the Deputy Government Actuary on the consequences for the Fund which may, in that Actuary's opinion, follow from that determination.
- (2) Where the Secretary of State lays before Parliament a draft of an order under section 141 above, then if the draft is approved by a resolution of each House, the Secretary of State shall make an order in the form of the draft.
- (3) An order under section 141 above shall be made so as to be in force from the beginning of the tax year following that in which it receives Parliamentary approval, and to have effect for that year and any subsequent tax year (subject to the effect of any subsequent order under this Part of this Act); and for this purpose the order is to be taken as receiving Parliamentary approval on the date on which the draft of it is approved by the second House to approve it.

143 Power to alter contributions with a view to adjusting level of National Insurance Fund

- (1) Without prejudice to section 141 above, the Secretary of State may at any time, if he thinks it expedient to do so with a view to adjusting the level at which the National Insurance Fund stands for the time being and having regard to the sums which may be expected to be paid from the Fund in any future period, make an order amending Part I of the Contributions and Benefits Act by altering any one or more of the following figures—
 - (a) the percentage rate specified—
 - (i) as the initial primary percentage in section 8(2)(a);

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- (ii) as the main primary percentage in section 8(2)(b);
 - (b) the percentage rate for secondary Class 1 contributions specified as the appropriate rate for Bracket 4 in section 9(3);
 - (c) the figure specified in section 11(1) as the weekly rate of Class 2 contributions;
 - (d) the figure specified in section 13(1) as the amount of a Class 3 contribution;
 - (e) the percentage rate for Class 4 contributions specified in section 15(3).
- (2) If an order under subsection (1) above contains an amendment altering the percentage rate for Class 4 contributions specified in section 15(3) of the Contributions and Benefits Act, it shall make the same alteration of the percentage rate specified in section 18(1) of that Act.
- (3) An order under subsection (1) above may if it contains an amendment altering the figure specified in section 11(1) of the Contributions and Benefits Act as the weekly rate of Class 2 contributions and the Secretary of State thinks it expedient in consequence of that amendment, amend section 11(4) of that Act by altering the figure there specified as the amount of earnings below which regulations under that subsection may except an earner from liability for Class 2 contributions.
- (4) No order shall be made under this section so as—
 - (a) to increase for any tax year—
 - (i) the percentage rate of the initial or main primary percentage; or
 - (ii) the percentage rate for secondary Class 1 contributions,to a percentage rate more than 0.25 per cent. higher than the percentage rate applicable at the end of the preceding tax year for the primary percentage or secondary Class 1 contribution in question; or
 - (b) to increase the percentage rate for Class 4 contributions to more than 8.25 per cent.

144 Orders under s. 143 - supplementary

- (1) Where (in accordance with section 190 below) the Secretary of State lays before Parliament a draft of an order under section 143 above, he shall lay with it a copy of a report by the Government Actuary or the Deputy Government Actuary on the effect which, in that Actuary's opinion, the making of such an order may be expected to have on the National Insurance Fund.
- (2) An order under section 143 above shall be made so as to be in force from the beginning of the tax year following that in which it received Parliamentary approval, and to have effect for that year and any subsequent tax year (subject to the effect of any subsequent order under this Part of this Act); and for this purpose the order is to be taken as receiving Parliamentary approval on the date on which the draft of it is approved by the second House to approve it.

145 Power to alter primary and secondary contributions

- (1) For the purpose of adjusting amounts payable by way of primary Class 1 contributions, the Secretary of State may at any time make an order altering—
 - (a) the percentage rate specified as the initial primary percentage in section 8(2) (a) of the Contributions and Benefits Act;
 - (b) the percentage rate specified as the main primary percentage in section 8(2) (b) of that Act.

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- (2) For the purpose of adjusting amounts payable by way of secondary Class 1 contributions, the Secretary of State may at any time make an order amending section 9(3) of that Act by altering any one or more of the following figures—
- (a) the upper weekly earnings figure specified in respect of Bracket 1;
 - (b) the weekly earnings figures specified in respect of Brackets 2 to 4; and
 - (c) the percentage rates specified as the appropriate rates for Brackets 1 to 3.
- (3) No order shall be made under this section so as—
- (a) to alter the percentage rate of the initial or main primary percentage to a percentage rate more than 0.25 per cent. higher than applicable at the end of the preceding tax year for the primary percentage in question; or
 - (b) to alter any of the percentage rates specified as the appropriate rates for Brackets 1 to 3 in section 9(3) of the Contributions and Benefits Act to a rate higher than the percentage rate which at the time the order comes into force is specified as the appropriate rate for Bracket 4.
- (4) Without prejudice to section 141 or 143 above, the Secretary of State may make such order—
- (a) amending section 11(1) of the Contributions and Benefits Act by altering the figure specified in that subsection as the weekly rate of Class 2 contributions;
 - (b) amending section 13(1) of that Act by altering the figure specified in that subsection as the amount of a Class 3 contribution,
- as he thinks fit in consequence of the coming into force of an order made or proposed to be made under subsection (1) above.

146 Power to alter number of secondary earnings brackets

The Secretary of State may by order alter the number of secondary earnings brackets below the highest bracket specified in section 9(3) of the Contributions and Benefits Act.

147 Orders under ss. 145 and 146 - supplementary

- (1) An order under section 145 or 146 above may make such amendments of any enactment as appear to the Secretary of State to be necessary or expedient in consequence of any alteration made by it.
- (2) Where (in accordance with section 190 below) the Secretary of State lays before Parliament a draft of an order under section 145 or 146 above, he shall lay with it a copy of a report by the Government Actuary or the Deputy Government Actuary on the effect which, in that Actuary's opinion, the making of such an order may be expected to have on the National Insurance Fund.
- (3) An order under section 145 or 146 above shall be made so as to come into force—
 - (a) on a date in the tax year in which it receives Parliamentary approval; or
 - (b) on a date in the next tax year.
- (4) Such an order shall have effect for the remainder of the tax year in which it comes into force and for any subsequent tax year (subject to the effect of any subsequent order under this Part of this Act).

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- (5) Such an order shall be taken as receiving Parliamentary approval on the date on which the draft of it is approved by the second House to approve it.

148 Revaluation of earnings factors

- (1) This section shall have effect for the purpose of securing that earnings factors which are relevant—
- (a) to the calculation—
 - (i) of the additional pension in the rate of any long-term benefit; or
 - (ii) of any guaranteed minimum pension; or
 - (b) to any other calculation required under Part III of the Pensions Act (including that Part as modified by or under any other enactment),
- maintain their value in relation to the general level of earnings obtaining in Great Britain.
- (2) The Secretary of State shall in each tax year review the general level of earnings obtaining in Great Britain and any changes in that level which have taken place since the end of the period taken into account for the last review under this section; and for the purposes of any such review the Secretary of State shall estimate the general level of earnings in such manner as he thinks fit.
- (3) If on any such review the Secretary of State concludes, having regard to earlier orders under this section, that earnings factors for any previous tax year (not being earlier than 1978-79) have not, during the period taken into account for that review, maintained their value in relation to the general level of earnings, he shall make an order under this section.
- (4) An order under this section shall be an order directing that, for the purposes of any such calculation as is mentioned in subsection (1) above, the earnings factors referred to in subsection (3) above shall be increased by such percentage of their amount, apart from earlier orders under this section, as the Secretary of State thinks necessary to make up that fall in their value, during the period taken into account for the review together with other falls in their value which had been made up by such earlier orders.
- (5) Subsections (3) and (4) above do not require the Secretary of State to direct any increase where it appears to him that the increase would be inconsiderable.
- (6) If on any such review the Secretary of State determines that he is not required to make an order under this section, he shall instead lay before each House of Parliament a report explaining his reasons for arriving at that determination.
- (7) For the purposes of this section—
- (a) any review under section 21 of the Pensions Act (which made provision corresponding to this section) shall be treated as a review under this section; and
 - (b) any order under that section shall be treated as an order under this section, (but without prejudice to sections 16 and 17 of the Interpretation Act 1978).

149 Statutory sick pay - power to alter limit for small employers' relief

If and so long as regulations under section 158(3) of the Contributions and Benefits Act prescribe an amount which an employer's contributions payments must not exceed

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if he is to be a small employer for the purposes of that section, the Secretary of State shall in each tax year consider whether that amount should be increased, having regard to any increase in the aggregate amount of all primary and secondary Class 1 contributions payable in Great Britain and such other matters as he considers appropriate.