
 STATUTORY INSTRUMENTS

1977 No. 2180

SOCIAL SECURITY

**The Social Security (Contributions, Re-rating) (No. 2)
Order 1977**
*Laid before Parliament in draft**Made - - - - 22nd December 1977**Coming into Operation 6th April 1978*

Whereas a draft of the following order was laid before Parliament and approved by resolution of each House of Parliament:

Now, therefore, the Secretary of State for Social Services in conjunction with the Treasury in so far as relates to matters with regard to which the Treasury has so directed (a) and in exercise of the powers conferred upon him by sections 120 and 122 of the Social Security Act 1975(b) and section 1(6) of the Social Security (Miscellaneous Provisions) Act 1977(c) and of all other powers enabling him in that behalf hereby makes the following order:—

Citation, commencement and interpretation

1.—(1) This order may be cited as the Social Security (Contributions, Re-rating) (No. 2) Order 1977 and shall come into operation on 6th April 1978.

(2) In this order, unless the context otherwise requires, “the Act” means the Social Security Act 1975, as amended by the Social Security (Contributions, Re-rating) Orders 1975 and 1977(d), and other expressions have the same meanings as in the Act.

(3) The rules for the construction of Acts of Parliament contained in the Interpretation Act 1889(e) shall apply for the purposes of the interpretation of this order as they apply for the purposes of the interpretation of an Act of Parliament.

Percentage rates of Class 1 contributions

2. In section 4(6) of the Act (Class 1 contributions—incidence)—

(a) in paragraph (a) for “5.75 per cent” (primary contribution) there shall be substituted “6.5 per cent”; and

(a) See Social Security Act 1975, section 166(5).

(b) 1975 c.14.

(c) 1977 c.5.

(d) The relevant amending instruments are S.I.'s 1975/1829, 1977/113 (1975 III, p.6901; 1977 I, p.382).

(e) 1889 c.63.

- (b) in paragraph (b) for “8·75 per cent” (secondary contribution) there shall be substituted “10 per cent”.

Rate of, and small earnings exception from, Class 2 contributions

3. In section 7 of the Act (Class 2 contributions)—

- (a) in sub-section (1) for “£2·66” there shall be substituted “£1·90”;
(b) in sub-section (5) for “£875” there shall be substituted “£950”.

Rate of Class 3 contributions

4. In section 8(1) of the Act (Class 3 contributions) for “£2·45” there shall be substituted “£1·80”.

Percentage rate of, and lower and upper limits for, Class 4 contributions

5. In sections 9(2) and 10(1) of the Act (Class 4 contributions recoverable under Tax Acts and regulations)—

- (a) for “8 per cent” there shall in each of those sections be substituted “5 per cent”;
(b) for “£1,750” wherever that figure appears there shall in each of those sections be substituted “£2,000”;
(c) for “£5,500” there shall in each of those sections be substituted “£6,250”.

David Ennals,

Secretary of State for Social Services.

19th December 1977.

Donald R. Coleman,

T. E. Graham,

Two of the Lords Commissioners
of Her Majesty's Treasury.

22nd December 1977.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order substitutes higher rates of Class 1 contributions and lower rates of Class 2, 3 and 4 contributions payable under the Social Security Act 1975. The Order also raises the lower and upper limits of profits for Class 4 contributions and the amount of earnings below which an earner may be excepted from liability for Class 2 contributions.

In accordance with sections 121(1) and 123(2) of the Social Security Act 1975 and section 1(7) of the Social Security (Miscellaneous Provisions) Act 1977, a copy of a report by the Government Actuary (Cmnd. 7036), giving his opinion on the likely effect on the National Insurance Fund of the making of this Order, was laid before Parliament with the draft of it.

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