

Self-employed earners etc: restructuring of contributions: draft clauses 2016

CONTENTS

Abolition of Class 2 contributions, and connected matters

- 1 Abolition of Class 2 contributions etc
- 2 Late paid Class 2 contributions

Class 4 contributions

- 3 Class 4 contributions: small profits limit: Great Britain
- 4 Class 4 contributions: small profits limit: Northern Ireland

Class 3 contributions

- 5 Class 3 contributions: Great Britain
- 6 Class 3 contributions: Northern Ireland

Contribution conditions, earnings factors etc: Great Britain

- 7 Maternity allowance
- 8 Bereavement support payment
- 9 Employment and support allowance
- 10 Employment and support allowance: transitional provision
- 11 Earnings factors

Contribution conditions, earnings factors etc: Northern Ireland

- 12 Maternity allowance
- 13 Bereavement support payment
- 14 Employment and support allowance
- 15 Employment and support allowance: transitional provision
- 16 Earnings factors

Supplementary

- 17 Power to make consequential provision
 - 18 Interpretation
-

Schedule – Consequential and connected amendments

Withdrawn

Abolition of Class 2 contributions, and connected matters

1 Abolition of Class 2 contributions etc

- (1) No person is to be liable or entitled to pay Class 2 contributions for 2018-19 or any subsequent tax year.
- (2) The Schedule makes amendments –
 - (a) in consequence of subsection (1), and
 - (b) otherwise in connection with this section and sections 2 to 16.
- (3) The amendments made by the Schedule have effect for 2018-19 and subsequent tax years.
- (4) None of those amendments is to be read as having effect in relation to liability or entitlement to pay, or otherwise in relation to, Class 2 contributions for 2017-18 or any earlier tax year.
- (5) In this section “Class 2 contributions” means Class 2 contributions under section 11 of the Social Security Contributions and Benefits Act 1992 or section 11 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

2 Late paid Class 2 contributions

- (1) In relation to Class 2 contributions which are paid in 2019-20 or a later tax year –
 - (a) section 12(3) of the Social Security Contributions and Benefits Act 1992 has effect as if paragraph (b) of that subsection (and the “and” before it) were omitted;
 - (b) section 12(3) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 has effect as if paragraph (b) of that subsection (and the “and” before it) were omitted.
- (2) In this section “Class 2 contributions” means Class 2 contributions under section 11 of the Social Security Contributions and Benefits Act 1992 or (as the case requires) section 11 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

Class 4 contributions

3 Class 4 contributions: small profits limit: Great Britain

- (1) The Social Security Contributions and Benefits Act 1992 is amended as follows.

(2) After section 15 insert –

“15A Notional payment of Class 4 contributions where relevant profits at or above small profits limit

- (1) This section applies where the amount of a person’s relevant profits for a tax year –
 - (a) is equal to or exceeds the small profits limit, but
 - (b) does not exceed the lower profits limit (see subsection (11)).
- (2) The “small profits limit” is 52 times the lower earnings limit for the tax year concerned.
- (3) For the purposes mentioned in subsection (4) –
 - (a) the person is to be treated, subject to any prescribed exceptions or modifications, as having actually paid a Class 4 contribution in respect of that tax year, and
 - (b) the person’s relevant profits are to be treated, subject to any prescribed exceptions or modifications, as profits upon which such a contribution has been paid.
- (4) The purposes are –
 - (a) the purposes of section 14(1)(za) (limit on liability to pay Class 3 contributions);
 - (b) the purposes of section 22(1)(za) (earnings factors);
 - (c) the purposes of paragraphs 1(2A) and 2(1A) of Schedule 1 to the Welfare Reform Act 2007 (employment and support allowance) and of [draft clause 10] (employment and support allowance: transitional provision);
 - (d) any other purposes relating to bereavement support payment, employment and support allowance or entitlement to a state pension under Part 1 of the Pensions Act 2014; and
 - (e) any purposes relating to jobseeker’s allowance.
- (5) Regulations may provide for persons to be treated for the purposes of subsection (1) as having relevant profits for a tax year equal to the small profits limit where –
 - (a) the amount of the person’s relevant profits for the tax year is less than the small profits limit, and
 - (b) any conditions specified in the regulations are met.
- (6) In subsection (5)(a) the reference to relevant profits includes an amount that would be relevant profits were it not a loss (or zero).
- (7) Regulations may provide for any provision of this Act which (in whatever terms) refers –
 - (a) to Class 4 contributions being payable by a person, or
 - (b) otherwise to a person’s liability to pay such contributions,to have effect for the purposes of this section with any prescribed modifications.
- (8) Regulations may amend subsection (2) so as to modify the meaning of “small profits limit”.
- (9) Regulations under this section are to be made by the Treasury.

- (10) Regulations under subsection (5) are to be made with the concurrence of the Secretary of State.
 - (11) In this section “the lower profits limit” means the amount specified in section 15(3)(a) as the amount in excess of which the main Class 4 percentage is payable.
 - (12) For the purposes of this section the amount of a person’s “relevant profits” for a tax year is the total amount of the profits mentioned in section 15(1) (profits in respect of which Class 4 contributions are payable as computed in accordance with Schedule 2).”
- (3) In section 16 (application of Income Tax Acts and destination of Class 4 contributions), after subsection (3) insert –
- “(3A) The Treasury may by regulations amend Schedule 2 to this Act (and Schedule 2 to the Northern Ireland Contributions and Benefits Act) for the purpose of altering the provision it makes about the computation of the profits in respect of which Class 4 contributions are payable (whether by providing for additional modifications and exclusions as mentioned in subsection (3) or otherwise).
- (3B) Before making regulations under subsection (3A) the Treasury must consult the Secretary of State.”
- (4) After section 18 insert –
- “18ZA Notional payment of Class 4 contributions where earnings within section 18(1)(b) at or above small profits limit**
- (1) Subsection (2) applies if regulations have effect under section 18(1) and an earner –
 - (a) would meet the conditions in the regulations for liability to pay a Class 4 contribution in respect of a tax year, but for the fact that the total of the earnings described in section 18(1)(b) does not exceed the amount specified in section 18(1)(c), and
 - (b) the total of those earnings is equal to or exceeds the small profits limit (as defined in section 15A(2)).
 - (2) For the purposes mentioned in section 15A(4) –
 - (a) the earner is to be treated, subject to any prescribed exceptions or modifications, as having actually paid a Class 4 contribution in respect of that tax year, and
 - (b) the earnings are to be treated, subject to any prescribed exceptions or modifications, as profits upon which such a contribution has been paid.
 - (3) Regulations may provide for any provision of this Act which (in whatever terms) refers –
 - (a) to Class 4 contributions being payable by a person, or
 - (b) otherwise to a person’s liability to pay such contributions,to have effect for the purposes of this section with any prescribed modifications.
 - (4) Regulations under this section are to be made by the Treasury.”
- (5) In section 176 (parliamentary control), in subsection (1)(a), at the appropriate

places insert –

“section 15A(8);”

“section 16(3A);”.

- (6) The amendments made by this section have effect for 2018-19 and subsequent tax years.

4 Class 4 contributions: small profits limit: Northern Ireland

- (1) The Social Security Contributions and Benefits (Northern Ireland) Act 1992 is amended as follows.

- (2) After section 15 insert –

“15A Notional payment of Class 4 contributions where relevant profits at or above small profits limit

- (1) This section applies where the amount of a person’s relevant profits for a tax year –
- (a) is equal to or exceeds the small profits limit, but
 - (b) does not exceed the lower profits limit (see subsection (11)).
- (2) The “small profits limit” is 52 times the lower earnings limit for the tax year concerned.
- (3) For the purposes mentioned in subsection (4) –
- (a) the person is to be treated, subject to any prescribed exceptions or modifications, as having actually paid a Class 4 contribution in respect of that tax year, and
 - (b) the person’s relevant profits are to be treated, subject to any prescribed exceptions or modifications, as profits upon which such a contribution has been paid.
- (4) The purposes are –
- (a) the purposes of section 14(1)(za) (limit on liability to pay Class 3 contributions);
 - (b) the purposes of section 22(1)(za) (earnings factors);
 - (c) the purposes of paragraphs 1(2A) and 2(1A) of Schedule 1 to the Welfare Reform Act (Northern Ireland) 2007 (employment and support allowance) and of [draft clause 15] (employment and support allowance: transitional provision);
 - (d) any other purposes relating to bereavement support payment, employment and support allowance or entitlement to a state pension under Part 1 of the Pensions Act (Northern Ireland) 2015; and
 - (e) any purposes relating to jobseeker’s allowance.
- (5) Regulations may provide for persons to be treated for the purposes of subsection (1) as having relevant profits for a tax year equal to the small profits limit where –
- (a) the amount of the person’s relevant profits for the tax year is less than the small profits limit, and
 - (b) any conditions specified in the regulations are met.
- (6) In subsection (5)(a) the reference to relevant profits includes an amount that would be relevant profits were it not a loss (or zero).

- (7) Regulations may provide for any provision of this Act which (in whatever terms) refers –
 - (a) to Class 4 contributions being payable by a person, or
 - (b) otherwise to a person's liability to pay such contributions,to have effect for the purposes of this section with any prescribed modifications.
 - (8) Regulations may amend subsection (2) so as to modify the meaning of "small profits limit".
 - (9) Regulations under this section are to be made by the Treasury.
 - (10) Regulations under subsection (5) are to be made with the concurrence of the Department.
 - (11) In this section "the lower profits limit" means the amount specified in section 15(3)(a) as the amount in excess of which the main Class 4 percentage is payable.
 - (12) For the purposes of this section the amount of a person's "relevant profits" for a tax year is the total amount of the profits mentioned in section 15(1) (profits in respect of which Class 4 contributions are payable as computed in accordance with Schedule 2)."
- (3) After section 18 insert –
- "18ZA Notional payment of Class 4 contributions where earnings within section 18(1)(b) at or above small profits limit**
- (1) Subsection (2) applies if regulations have effect under section 18(1) and an earner –
 - (a) would meet the conditions in the regulations for liability to pay a Class 4 contribution in respect of a tax year, but for the fact that the total of the earnings described in section 18(1)(b) does not exceed the amount specified in section 18(1)(c), and
 - (b) the total of those earnings is equal to or exceeds the small profits limit (as defined in section 15A(2)).
 - (2) For the purposes mentioned in section 15A(4) –
 - (a) the earner is to be treated, subject to any prescribed exceptions or modifications, as having actually paid a Class 4 contribution in respect of that tax year, and
 - (b) the earnings are to be treated, subject to any prescribed exceptions or modifications, as profits upon which such a contribution has been paid.
 - (3) Regulations may provide for any provision of this Act which (in whatever terms) refers –
 - (a) to Class 4 contributions being payable by a person, or
 - (b) otherwise to a person's liability to pay such contributions,to have effect for the purposes of this section with any prescribed modifications.
 - (4) Regulations under this section are to be made by the Treasury."
- (4) In section 172 (Assembly, etc. control of regulations and orders), in subsection (11A), after "14A," insert "15A(8),".

- (5) The amendments made by this section have effect for 2018-19 and subsequent tax years.

Class 3 contributions

5 Class 3 contributions: Great Britain

- (1) The Social Security Contributions and Benefits Act 1992 is amended as follows.
- (2) In section 13 (Class 3 contributions), for subsection (2) substitute –
- “(2) Payment of Class 3 contributions is to be allowed –
- (a) with a view to enabling the contributor to satisfy conditions of entitlement to benefit by acquiring the requisite earnings factor for the purposes specified in section 22, and
- (b) for any other purpose provided for by this or another Act.”
- (3) In section 14 (restriction on right to pay Class 3 contributions) –
- (a) in subsection (1) –
- (i) before paragraph (a) insert –
- “(za) in the case of 2018-19 or any subsequent year, from earnings on which Class 1 contributions have been paid or treated as paid or from a Class 4 contribution paid or treated as paid;”
- (ii) in paragraph (a), for “year,” substitute “year not later than 2017-18;”
- (b) after subsection (1) insert –
- “(1A) Subsection (1) does not limit a woman’s entitlement to pay Class 3 contributions under section 35A(1C)(a) (maternity allowance: contributions in respect of a pregnancy).”;
- (c) after subsection (2) insert –
- “(2A) Regulations may provide for the repayment of Class 3 contributions that have been paid by a woman in respect of a pregnancy in cases where the woman is not entitled to a maternity allowance in connection with those contributions.”;
- (d) in subsection (3), after “(2)” insert “or (2A)”;
- (e) in subsection (4), for “(1)(a)” substitute “(1)(za) or (a) (as the case may be)”;
- (f) in subsection (5), for “or (2)” substitute “, (2) or (2A)”;
- (g) in the heading, for “Restriction on right to pay” substitute “Supplementary provision about”.
- (4) The amendments made by this section have effect for 2018-19 and subsequent tax years.

6 Class 3 contributions: Northern Ireland

- (1) The Social Security Contributions and Benefits (Northern Ireland) Act 1992 is amended as follows.
- (2) In section 13 (Class 3 contributions), for subsection (2) substitute –
- “(2) Payment of Class 3 contributions is to be allowed –

- (a) with a view to enabling the contributor to satisfy conditions of entitlement to benefit by acquiring the requisite earnings factor for the purposes specified in section 22, and
 - (b) for any other purpose provided for by this or any other Act.”
- (3) In section 14 (restriction on right to pay Class 3 contributions) –
- (a) in subsection (1) –
 - (i) before paragraph (a) insert –
 - “(za) in the case of 2018-19 or any subsequent year, from earnings on which Class 1 contributions have been paid or treated as paid or from a Class 4 contribution paid or treated as paid;”
 - (ii) in paragraph (a), for “year,” substitute “year not later than 2017-18;”
 - (b) after subsection (1) insert –
 - “(1A) Subsection (1) does not limit a woman’s entitlement to pay Class 3 contributions under section 35A(1C)(a) (maternity allowance: contributions in respect of a pregnancy).”;
 - (c) after subsection (2) insert –
 - “(2A) Regulations may provide for the repayment of Class 3 contributions that have been paid by a woman in respect of a pregnancy in cases where the woman is not entitled to a maternity allowance in connection with those contributions.”;
 - (d) in subsection (3), after “(2)” insert “or (2A)”;
 - (e) in subsection (4), for “(1)(a)” substitute “(1)(za) or (a) (as the case may be)”;
 - (f) in subsection (5), for “or (2)” substitute “, (2) or (2A)”;
 - (g) in the heading, for “Restriction on right to pay” substitute “Supplementary provision about”.
- (4) The amendments made by this section have effect for 2018-19 and subsequent tax years.

Contribution conditions, earnings factors etc: Great Britain

7 Maternity allowance

- (1) The Social Security Contributions and Benefits Act 1992 is amended as follows.
- (2) Section 35 (state maternity allowance for employed or self-employed earner) is amended as follows.
- (3) For subsection (1)(c) substitute –
 - “(c) any of these applies –
 - (i) her average weekly earnings as an employed earner (see section 35A(4)) are not less than the maternity allowance threshold for the tax year in which the 66 week period mentioned in paragraph (b) begins, or
 - (ii) she is qualified as a self-employed earner, or
 - (iii) she has qualifying earnings from mixed employment (see section 35A(1G)); and”.

- (4) After subsection (1) insert –
- “(1A) A woman is qualified as a self-employed earner if she meets the conditions in subsections (1B) and (1C).
- (1B) The first condition is that the woman has been engaged in employment as a self-employed earner for any part of the week in the case of at least 13 of the 66 weeks immediately preceding the expected week of confinement.
- (1C) The second condition is that at the time of her claim for the maternity allowance the woman –
- (a) is engaged in employment as a self-employed earner, or
 - (b) is unemployed but was engaged in such employment immediately before becoming unemployed.
- (1D) “Unemployed” here means neither an employed earner nor a self-employed earner.”
- (5) Section 35A (appropriate weekly rate of maternity allowance) is amended as follows.
- (6) In subsection (1) for the words from “(subject to” to the end substitute “as follows”.
- (7) After subsection (1) insert –
- “(1A) If the woman’s average weekly earnings as an employed earner are not less than the maternity allowance threshold for the tax year in which the 66 week period mentioned in section 35(1)(b) begins, the appropriate weekly rate is whichever is the lower rate of –
- (a) a weekly rate equivalent to 90 per cent of the woman’s average weekly earnings as an employed earner; and
 - (b) the weekly rate for the time being prescribed under section 166(1)(b) below.
- (1B) Subsection (1A) does not apply if the woman is qualified as a self-employed earner (as defined by section 35(1A)), except in accordance with regulations under subsection (1D).
- (1C) If the woman is qualified as a self-employed earner, the appropriate weekly rate –
- (a) if she pays the prescribed number of Class 3 contributions with respect to the pregnancy, is the weekly rate for the time being prescribed under section 166(1)(b);
 - (b) if she does not pay the prescribed number of Class 3 contributions, is a weekly rate equivalent to 90 per cent of the maternity allowance threshold for the tax year in which the 66 week period mentioned in section 35(1)(b) begins.
- This is subject to regulations under subsection (1D).
- (1D) Where the conditions in subsection (1E) are met –
- (a) regulations must provide for subsection (1A) to apply or for subsection (1C) to apply, and
 - (b) the provision must give effect to any choice made by the woman in accordance with the regulations.
- (1E) The conditions are –

- (a) the woman's average weekly earnings as an employed earner are as described in subsection (1A);
 - (b) she is qualified as a self-employed earner; and
 - (c) at the time of her claim for the maternity allowance –
 - (i) she is engaged in employment as an employed earner (as well as employment as a self-employed earner), or
 - (ii) she is unemployed but was engaged in employment as an employed earner (as well as employment as a self-employed earner) immediately before becoming unemployed.
- (1F) If the woman has qualifying earnings from mixed employment (see subsection (1G)) the appropriate weekly rate is the weekly rate prescribed under this subsection.
- (1G) A woman has qualifying earnings from mixed employment if –
- (a) in the 66 week period mentioned in section 35(1)(b) there are fewer than 13 weeks in which the woman has been engaged in employment as an employed earner for any part of the week;
 - (b) neither of subsections (1A) and (1C) applies; and
 - (c) a combination in accordance with regulations of –
 - (i) specified payments made to her or for her benefit as an employed earner, and
 - (ii) specified payments treated in accordance with regulations as made to her or for her benefit as a self-employed earner,amounts to the specified amount.”
- (8) In subsection (4) –
- (a) for ““average weekly earnings”” substitute ““average weekly earnings as an employed earner””;
 - (b) omit paragraph (b) and the “or” preceding it.
- (9) In subsection (5) –
- (a) in paragraph (a) omit “paragraph (a) or (b) of”;
 - (b) omit paragraph (c);
 - (c) in paragraph (d) omit “(whether, in each case, as an employed earner or a self-employed earner)”.
- (10) Omit subsections (5A) and (5B) and insert –
- “(5C) Regulations must set out the conditions for a Class 3 contribution to count as paid “with respect to” a particular pregnancy and these may for example include –
- (a) conditions about the timing of payments of contributions, or
 - (b) conditions specifying information that must be given to the Commissioners for Her Majesty's Revenue and Customs or to the Secretary of State in connection with the payment of the contributions.
- (5D) Before making regulations under subsection (5C) the Secretary of State must consult the Commissioners for Her Majesty's Revenue and Customs.

- (5E) Nothing in subsection (5C) limits the breadth of the Treasury's power to prescribe conditions under section 13(1)."
- (11) In subsection (6) for "has" substitute "and "unemployed" have".
- (12) In section 35B (state maternity allowance for participating wife or civil partner of self-employed earner), in subsection (1) omit paragraph (c) and the "and" after it.
- (13) The amendments made by subsections (2) to (11) have effect in relation to a woman only if the claim for maternity allowance is made on or after 29 April 2018.
- (14) The amendment made by subsection (12) has effect in relation to a woman only if the claim for maternity allowance is made on or after 6 April 2018.

8 Bereavement support payment

- (1) Section 31 of the Pensions Act 2014 (bereavement support payment: contribution condition etc) is amended as follows.
- (2) For subsection (1) substitute –
 - “(1) For the purposes of section 30(1)(d) the contribution condition is that at least one tax year in the deceased's working life is a qualifying year by virtue of subsection (1A) or (1B) (but see also subsection (3)).
 - (1A) The tax year 2018-19 or a subsequent tax year is a “qualifying year” if –
 - (a) the deceased paid, or is treated as having paid, Class 1 or Class 4 national insurance contributions for the tax year, and
 - (b) those contributions gave rise to an earnings factor (or total earnings factors) equal to or greater than 52 times the lower earnings limit for that tax year.
 - (1B) A tax year before 2018-19 is a “qualifying year” if –
 - (a) the deceased actually paid Class 1 or Class 2 national insurance contributions for the tax year, and
 - (b) those contributions gave rise to an earnings factor (or total earnings factors) equal to or greater than 25 times the lower earnings limit for that tax year.”
- (3) After subsection (4) insert –
 - “(4A) In this section the expression “2018-19” means the 12 months beginning with 6 April 2018.
 - (4B) In subsection (1A) references to the deceased include the deceased's personal representatives.”
- (4) The amendments made by this section have effect in relation to 2018-19 and subsequent tax years.

9 Employment and support allowance

- (1) Schedule 1 to the Welfare Reform Act 2007 (employment and support allowance) is amended as follows.

(2) In paragraph 1 for sub-paragraphs (1) to (3A) substitute –

“(1) The first condition is that at least one of the last two complete tax years before the beginning of the relevant benefit year is a qualifying tax year (under sub-paragraph (2) or (2A)).

(2) A tax year is a “qualifying tax year” if the sum of A and B (as defined below) is equal to or greater than 26.

A is the number of tax weeks in the tax year in respect of which the claimant has paid, or is treated as having paid, a primary Class 1 contribution.

B is the number of tax weeks in the tax year in respect of which the claimant has paid a relevant Class 3 contribution.

(2A) A tax year (other than an excepted tax year) is also a “qualifying tax year” if the claimant has paid, or is treated as having paid, a Class 4 contribution in respect of that tax year.

(2B) In sub-paragraphs (2) and (2A) references to a contribution which the claimant “has paid” are to a contribution which the claimant has paid before the beginning of the relevant benefit week.

(2C) Where a Class 4 contribution is one that the claimant is treated as having paid (as opposed to one actually paid), that contribution is not to be taken into account for the purposes of the first condition unless the claimant has made and delivered any required return by –

- (a) the beginning of the relevant benefit week, or
- (b) if later, the time by which the claimant is required to deliver the return.

(2D) In sub-paragraph (2C) “required return” means a return relating to the contribution which the claimant is required to deliver by or under an enactment (and references to the making and delivery of the return are to making and delivering it in accordance with any requirements imposed by or under the enactment).”

(3) Paragraph 2 is amended as follows.

(4) For sub-paragraph (1) substitute –

“(A1) The second condition is that both of the last two complete tax years before the beginning of the relevant benefit year are qualifying tax years (under sub-paragraph (1) or (1A)).

(1) A tax year is a “qualifying tax year” if –

- (a) the claimant has in respect of that tax year –
 - (i) paid or been credited with primary Class 1 contributions or been credited with earnings, or
 - (ii) paid relevant Class 3 contributions, and
- (b) in that tax year the earnings factor derived as mentioned in sub-paragraph (2) is not less than the year’s lower earnings limit multiplied by 50.”

- (5) After sub-paragraph (1) insert –
- “(1A) A tax year (other than an excepted tax year) is also a “qualifying tax year” if the claimant has paid, or is treated as having paid, a Class 4 contribution in respect of that tax year.”
- (6) In sub-paragraph (2)(b), for “Class 2 contributions” substitute “relevant Class 3 contributions paid by the claimant”.
- (7) In paragraph 3(1) –
- (a) in the words before paragraph (a), after “2” insert “and this paragraph”;
- (b) in paragraph (b) for “2” substitute “3”;
- (c) after paragraph (e) insert –
- “(ea) “excepted tax year” has the meaning given by section 22(4B) of that Act;
- “(eb) “relevant Class 3 contribution” means a Class 3 contribution in respect of a tax week in which the claimant is in employment as a self-employed earner;”
- (d) at the end insert –
- “(h) “tax week” means one of the successive periods in a tax year beginning with the first day of that year and every seventh day thereafter, the last day of a tax year (or, in the case of a tax year ending in a leap year, the last two days) to be treated accordingly as a separate tax week.”
- (8) The amendments made by this section have effect only in cases where the earlier of the last two complete tax years before the beginning of the relevant benefit year is 2018-19 or a later tax year (but see also section 10).
- (9) In subsection (8) “the relevant benefit year” means the relevant benefit year as defined in paragraph 3(1) of Schedule 1 to the Welfare Reform Act 2007.

10 Employment and support allowance: transitional provision

- (1) Schedule 1 to the Welfare Reform Act 2007 (employment and support allowance: additional conditions) has effect with the following modifications in relation to cases where the last two complete tax years before the relevant benefit year are 2017-18 and 2018-19.
- (2) The first condition in that Schedule is taken to be met in relation to the claimant only if –
- (a) that condition is met by virtue of Class 1 or Class 2 contributions in respect of the tax year 2017-18, or
- (b) subsection (5) applies.
- (3) The second condition in that Schedule is taken to be met in relation to the claimant only if –
- (a) that condition would be met on the suppositions in subsection (4), and
- (b) subsection (5) applies.
- (4) The suppositions are –
- (a) that subsection (3) does not have effect,

- (b) that in that second condition the reference to “the last two complete tax years before the beginning of the relevant benefit year” is to “the tax year 2017-18”, and
 - (c) that paragraph (b) of that condition accordingly refers to “that year” instead of “each of those years”.
- (5) This subsection applies if the tax year 2018-19 would be a qualifying tax year for the purposes of paragraphs 1 and 2 of Schedule 1 to the Welfare Reform Act 2007 if section 9(8) had effect with the substitution of “later” for “earlier”.
- (6) In this section –
“Class 1 contributions” and “Class 2 contributions” have the same meaning as in the Social Security Contributions and Benefits Act 1992;
“relevant benefit year” has the meaning given by paragraph 3(1) of Schedule 1 to the Welfare Reform Act 2007.

11 Earnings factors

- (1) The Social Security Contributions and Benefits Act 1992 is amended as follows.
- (2) Section 22 (earnings factors) is amended as follows.
- (3) In subsection (1) –
(a) before paragraph (a) insert –
“(za) in the case of 2018-19 or any subsequent tax year –
(i) from so much of the person’s earnings as did not exceed the upper earnings limit and on which primary Class 1 contributions have been paid or treated as paid,
(ii) from Class 3 contributions, and
(iii) from Class 4 contributions paid or treated as paid;”
(b) in paragraph (a), for “1987-88 or any subsequent tax year,” substitute “any tax year between (inclusive) 1987-88 and 2017-18,”.
- (4) After subsection (4) insert –
(4A) No earnings factor is to be derived from a Class 4 contribution paid or treated as paid by a woman for an excepted tax year.
(4B) For the purposes of this section a tax year is an “excepted tax year” in the case of a woman if –
(a) it is 2018-19 or a later tax year, and
(b) an election made (or treated as made) by the woman under regulations under section 19(4) (elections by married women to pay contributions at the reduced rate etc) has effect for the whole or part of that tax year.”
- (5) In subsection (5)(a), omit “Class 2 or”.
- (6) In subsection (5ZA)(a) omit “Class 2 or”.
- (7) In section 23 (provisions supplemental to sections 21 and 22), in subsection (3) –

- (a) before paragraph (a) insert –
 - “(za) in respect of 2018-19 and any subsequent tax year, a Class 4 contribution paid or treated as paid gives rise to an earnings factor for that tax year equal or approximating to the qualifying earnings factor for that tax year;”
 - (b) in paragraph (b) omit “Class 2 or”.
- (8) The amendments made by this section have effect in relation to 2018-19 and subsequent tax years.

Contribution conditions, earnings factors etc: Northern Ireland

12 Maternity allowance

- (1) The Social Security Contributions and Benefits (Northern Ireland) Act 1992 is amended as follows.
- (2) Section 35 (state maternity allowance for employed or self-employed earner) is amended as follows.
- (3) For subsection (1)(c) substitute –
 - “(c) any of these applies –
 - (i) her average weekly earnings as an employed earner (see section 35A(4)) are not less than the maternity allowance threshold for the tax year in which the 66 week period mentioned in paragraph (b) begins, or
 - (ii) she is qualified as a self-employed earner, or
 - (iii) she has qualifying earnings from mixed employment (see section 35A(1G)); and”.
- (4) After subsection (1) insert –
 - “(1A) A woman is qualified as a self-employed earner if she meets the conditions in subsections (1B) and (1C).
 - (1B) The first condition is that the woman has been engaged in employment as a self-employed earner for any part of the week in the case of at least 13 of the 66 weeks immediately preceding the expected week of confinement.
 - (1C) The second condition is that at the time of her claim for the maternity allowance the woman –
 - (a) is engaged in employment as a self-employed earner, or
 - (b) is unemployed but was engaged in such employment immediately before becoming unemployed.
 - (1D) “Unemployed” here means neither an employed earner nor a self-employed earner.”
- (5) Section 35A (appropriate weekly rate of maternity allowance) is amended as follows.
- (6) In subsection (1) for the words from “(subject to” to the end substitute “as follows”.

(7) After subsection (1) insert –

“(1A) If the woman’s average weekly earnings as an employed earner are not less than the maternity allowance threshold for the tax year in which the 66 week period mentioned in section 35(1)(b) begins, the appropriate weekly rate is whichever is the lower rate of –

- (a) a weekly rate equivalent to 90 per cent of the woman’s average weekly earnings as an employed earner; and
- (b) the weekly rate for the time being prescribed under section 166(1)(b) below.

(1B) Subsection (1A) does not apply if the woman is qualified as a self-employed earner (as defined by section 35(1A)), except in accordance with regulations under subsection (1D).

(1C) If the woman is qualified as a self-employed earner, the appropriate weekly rate –

- (a) if she pays the prescribed number of Class 3 contributions with respect to the pregnancy, is the weekly rate for the time being prescribed under section 166(1)(b);
- (b) if she does not pay the prescribed number of Class 3 contributions, is a weekly rate equivalent to 90 per cent of the maternity allowance threshold for the tax year in which the 66 week period mentioned in section 35(1)(b) begins.

This is subject to regulations under subsection (1D).

(1D) Where the conditions in subsection (1E) are met –

- (a) regulations must provide for subsection (1A) to apply or for subsection (1C) to apply, and
- (b) the provision must give effect to any choice made by the woman in accordance with the regulations.

(1E) The conditions are –

- (a) the woman’s average weekly earnings as an employed earner are as described in subsection (1A);
- (b) she is qualified as a self-employed earner; and
- (c) at the time of her claim for the maternity allowance –
 - (i) she is engaged in employment as an employed earner (as well as employment as a self-employed earner), or
 - (ii) she is unemployed but was engaged in employment as an employed earner (as well as employment as a self-employed earner) immediately before becoming unemployed.

(1F) If the woman has qualifying earnings from mixed employment (see subsection (1G)) the appropriate weekly rate is the weekly rate prescribed under this subsection.

(1G) A woman has qualifying earnings from mixed employment if –

- (a) in the 66 week period mentioned in section 35(1)(b) there are fewer than 13 weeks in which the woman has been engaged in employment as an employed earner for any part of the week;
- (b) neither of subsections (1A) and (1C) applies; and
- (c) a combination in accordance with regulations of –

- (i) specified payments made to her or for her benefit as an employed earner, and
 - (ii) specified payments treated in accordance with regulations as made to her or for her benefit as a self-employed earner,amounts to the specified amount.”
- (8) In subsection (4) –
 - (a) for ““average weekly earnings”” substitute ““average weekly earnings as an employed earner””;
 - (b) omit paragraph (b) and the “or” preceding it.
- (9) In subsection (5) –
 - (a) in paragraph (a) omit “paragraph (a) or (b) of”;
 - (b) omit paragraph (c);
 - (c) in paragraph (d) omit “(whether, in each case, as an employed earner or a self-employed earner)”.
- (10) Omit subsections (5A) and (5B) and insert –
 - “(5C) Regulations must set out the conditions for a Class 3 contribution to count as paid “with respect to” a particular pregnancy and these may for example include –
 - (a) conditions about the timing of payments of contributions, or
 - (b) conditions specifying information that must be given to the Commissioners for Her Majesty’s Revenue and Customs or to the Department in connection with the payment of the contributions.
 - (5D) Before making regulations under subsection (5C) the Department must consult the Commissioners for Her Majesty’s Revenue and Customs.
 - (5E) Nothing in subsection (5C) limits the breadth of the Treasury’s power to prescribe conditions under section 13(1).”
- (11) In subsection (6) for “has” substitute “and “unemployed” have”.
- (12) In section 35B (state maternity allowance for participating wife or civil partner of self-employed earner), in subsection (1) omit paragraph (c) and the “and” after it.
- (13) The amendments made by subsections (2) to (11) have effect in relation to a woman only if the claim for maternity allowance is made on or after 29 April 2018.
- (14) The amendment made by subsection (12) has effect in relation to a woman only if the claim for maternity allowance is made on or after 6 April 2018.

13 Bereavement support payment

- (1) Section 30 of the Pensions Act (Northern Ireland) 2015 (bereavement support payment: contribution condition etc) is amended as follows.

(2) For subsection (1) substitute –

“(1) For the purposes of section 29(1)(d) the contribution condition is that at least one tax year in the deceased’s working life is a qualifying year by virtue of subsection (1A) or (1B) (but see also subsection (3)).

(1A) The tax year 2018-19 or a subsequent tax year is a “qualifying year” if –
(a) the deceased paid, or is treated as having paid, Class 1 or Class 4 national insurance contributions for the tax year, and
(b) those contributions gave rise to an earnings factor (or total earnings factors) equal to or greater than 52 times the lower earnings limit for that tax year.

(1B) A tax year before 2018-19 is a “qualifying year” if –
(a) the deceased actually paid Class 1 or Class 2 national insurance contributions for the tax year, and
(b) those contributions gave rise to an earnings factor (or total earnings factors) equal to or greater than 25 times the lower earnings limit for that tax year.”

(3) After subsection (4) insert –

“(4A) In this section the expression “2018-19” means the 12 months beginning with 6 April 2018.

(4B) In subsection (1A) references to the deceased include the deceased’s personal representatives.”

(4) The amendments made by this section have effect in relation to 2018-19 and subsequent tax years.

14 Employment and support allowance

(1) Schedule 1 to the Welfare Reform Act (Northern Ireland) 2007 (employment and support allowance) is amended as follows.

(2) In paragraph 1 for sub-paragraphs (1) to (3A) substitute –

“(1) The first condition is that at least one of the last two complete tax years before the beginning of the relevant benefit year is a qualifying tax year (under sub-paragraph (2) or (2A)).

(2) A tax year is a “qualifying tax year” if the sum of A and B (as defined below) is equal to or greater than 26.

A is the number of tax weeks in the tax year in respect of which the claimant has paid, or is treated as having paid, a primary Class 1 contribution.

B is the number of tax weeks in the tax year in respect of which the claimant has paid a relevant Class 3 contribution.

(2A) A tax year (other than an excepted tax year) is also a “qualifying tax year” if the claimant has paid, or is treated as having paid, a Class 4 contribution in respect of that tax year.

- (2B) In sub-paragraphs (2) and (2A) references to a contribution which the claimant “has paid” are to a contribution which the claimant has paid before the beginning of the relevant benefit week.
- (2C) Where a Class 4 contribution is one that the claimant is treated as having paid (as opposed to one actually paid), that contribution is not to be taken into account for the purposes of the first condition unless the claimant has made and delivered any required return by –
- (a) the beginning of the relevant benefit week, or
 - (b) if later, the time by which the claimant is required to deliver the return.
- (2D) In sub-paragraph (2C) “required return” means a return relating to the contribution which the claimant is required to deliver by or under an enactment (and references to the making and delivery of the return are to making and delivering it in accordance with any requirements imposed by or under the enactment).”
- (3) Paragraph 2 is amended as follows.
- (4) For sub-paragraph (1) substitute –
- “(A1) The second condition is that both of the last two complete tax years before the beginning of the relevant benefit year are qualifying tax years (under sub-paragraph (1) or (1A)).
- (1) A tax year is a “qualifying tax year” if –
- (a) the claimant has in respect of that tax year –
 - (i) paid or been credited with primary Class 1 contributions or been credited with earnings, or
 - (ii) paid relevant Class 3 contributions, and
 - (b) in that tax year the earnings factor derived as mentioned in sub-paragraph (2) is not less than the year’s lower earnings limit multiplied by 50.”
- (5) After sub-paragraph (1) insert –
- “(1A) A tax year (other than an excepted tax year) is also a “qualifying tax year” if the claimant has paid, or is treated as having paid, a Class 4 contribution in respect of that tax year.”
- (6) In sub-paragraph (2)(b), for “Class 2 contributions” substitute “relevant Class 3 contributions paid by the claimant”.
- (7) In paragraph 3(1) –
- (a) in the words before paragraph (a), after “2” insert “and this paragraph”;
 - (b) in paragraph (b) for “2” substitute “3”;
 - (c) after paragraph (e) insert –
 - “(ea) “excepted tax year” has the meaning given by section 22(4B) of that Act;
 - (eb) “relevant Class 3 contribution” means a Class 3 contribution in respect of a tax week in which the claimant is in employment as a self-employed earner;”

(d) at the end insert –

“(h) “tax week” means one of the successive periods in a tax year beginning with the first day of that year and every seventh day thereafter, the last day of a tax year (or, in the case of a tax year ending in a leap year, the last two days) to be treated accordingly as a separate tax week.”

- (8) The amendments made by this section have effect only in cases where the earlier of the last two complete tax years before the beginning of the relevant benefit year is 2018-19 or a later tax year (but see also section 15).
- (9) In subsection (8) “the relevant benefit year” means the relevant benefit year as defined in paragraph 3(1) of Schedule 1 to the Welfare Reform Act (Northern Ireland) 2007.

15 Employment and support allowance: transitional provision

- (1) Schedule 1 to the Welfare Reform Act (Northern Ireland) 2007 (employment and support allowance: additional conditions) has effect with the following modifications in relation to cases where the last two complete tax years before the relevant benefit year are 2017-18 and 2018-19.
- (2) The first condition in that Schedule is taken to be met in relation to the claimant only if –
- (a) that condition is met by virtue of Class 1 or Class 2 contributions in respect of the tax year 2017-18, or
 - (b) subsection (5) applies.
- (3) The second condition in that Schedule is taken to be met in relation to the claimant only if –
- (a) that condition would be met on the suppositions in subsection (4), and
 - (b) subsection (5) applies.
- (4) The suppositions are –
- (a) that subsection (3) does not have effect,
 - (b) that in that second condition the reference to “the last two complete tax years before the beginning of the relevant benefit year” is to “the tax year 2017-18”, and
 - (c) that paragraph (b) of that condition accordingly refers to “that year” instead of “each of those years”.
- (5) This subsection applies if the tax year 2018-19 would be a qualifying tax year for the purposes of paragraphs 1 and 2 of Schedule 1 to the Welfare Reform Act (Northern Ireland) 2007 if section 14(8) had effect with the substitution of “later” for “earlier”.
- (6) In this section –
- “Class 1 contributions” and “Class 2 contributions” have the same meaning as in the Social Security Contributions and Benefits (Northern Ireland) Act 1992;
 - “relevant benefit year” has the meaning given by paragraph 3(1) of Schedule 1 to the Welfare Reform Act (Northern Ireland) 2007.

16 Earnings factors

- (1) The Social Security Contributions and Benefits (Northern Ireland) Act 1992 is amended as follows.
- (2) Section 22 (earnings factors) is amended as follows.
- (3) In subsection (1) –
 - (a) before paragraph (a) insert –
 - “(za) in the case of 2018-19 or any subsequent tax year –
 - (i) from so much of the person’s earnings as did not exceed the upper earnings limit and on which primary Class 1 contributions have been paid or treated as paid,
 - (ii) from Class 3 contributions, and
 - (iii) from Class 4 contributions paid or treated as paid;”
 - (b) in paragraph (a), for “1987-88 or any subsequent tax year,” substitute “any tax year between (inclusive) 1987-88 and 2017-18;”.
 - (4) After subsection (4) insert –
 - “(4A) No earnings factor is to be derived from a Class 4 contribution paid or treated as paid by a woman for an excepted tax year.
 - (4B) For the purposes of this section a tax year is an “excepted tax year” in the case of a woman if –
 - (a) it is 2018-19 or a later tax year, and
 - (b) an election made (or treated as made) by the woman under regulations under section 19(4) (elections by married women to pay contributions at the reduced rate etc) has effect for the whole or part of that tax year.”
 - (5) In subsection (5)(a), omit “Class 2 or”.
 - (6) In subsection (5ZA)(a) omit “Class 2 or”.
 - (7) In section 23 (provisions supplemental to sections 21 and 22), in subsection (3) –
 - (a) before paragraph (a) insert –
 - “(za) in respect of 2018-19 and any subsequent tax year, a Class 4 contribution paid or treated as paid gives rise to an earnings factor for that tax year equal or approximating to the qualifying earnings factor for that tax year;”
 - (b) in paragraph (b) omit “Class 2 or”.
 - (8) The amendments made by this section have effect in relation to 2018-19 and subsequent tax years.

Supplementary

17 Power to make consequential provision

- (1) The Secretary of State or the Treasury may by regulations make any provision which appears to the Secretary of State or the Treasury to be appropriate in consequence of the provisions of sections 1 to 16.
- (2) The power in subsection (1), so far as exercisable to make relevant transitory provision in relation to section 29 of the Pensions Act (Northern Ireland) 2015, is exercisable by the Department for Communities in Northern Ireland instead of by the Secretary of State.
- (3) Regulations under subsection (1) –
 - (a) may include supplementary, incidental, transitional, transitory or saving provision;
 - (b) may make different provision for different purposes.
- (4) The power in subsection (1) includes power to amend, repeal or revoke any provision of or made under an Act.
- (5) For the purposes of subsection (2), subsection (4) applies to Northern Ireland legislation as it applies to an Act.
- (6) Subsections (7) to (10) apply to regulations made by the Secretary of State or the Treasury.
- (7) Regulations under subsection (1) must be made by statutory instrument.
- (8) A statutory instrument containing (with or without other provision) regulations under subsection (1) which amend or repeal a provision of an Act may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament (but see subsection (9)).
- (9) Subsection (8) has effect as if regulations under subsection (1) did not contain any amendment or repeal of a provision of an Act so far as the amendment or repeal is (or would be) a relevant transitory provision.
- (10) A statutory instrument containing regulations under subsection (1) that does not have to be approved in draft under subsection (8) is subject to annulment in pursuance of a resolution of either House of Parliament.
- (11) Regulations made under subsection (1) by the Department for Communities in Northern Ireland are subject to negative resolution (within the meaning of section 41(6) of the Interpretation (Northern Ireland) Act 1954 (c. 33 (NI))).
- (12) For the purposes of this section an amendment or repeal of a provision of an Act or Northern Ireland legislation is a “relevant transitory provision” if it –
 - (a) relates to, or is required in connection with, relevant bereavement benefits, and
 - (b) is to operate only in relation to times before the coming into force of section 30 of the Pensions Act 2014 or section 29 of the Pensions Act (Northern Ireland) 2015 (bereavement support payment) (and only if the section concerned has not been brought fully into force by the beginning of the tax year 2018-19).
- (13) In this section “relevant bereavement benefit” means any of the following descriptions of contributory benefits under Part 2 of the Social Security

Contributions and Benefits Act 1992 or Part 2 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 –

- (a) bereavement payment;
- (b) widowed parent's allowance;
- (c) bereavement allowance.

18 Interpretation

In these provisions –

“tax year” means the 12 months beginning with 6 April in any year;

“2017-18” means the tax year beginning with 6 April 2017, and any correspondingly framed reference to a pair of successive years is to be interpreted as a reference to the tax year beginning with 6 April in the earlier of them.

Withdrawn

SCHEDULE

Section 1

CONSEQUENTIAL AND CONNECTED AMENDMENTS

Social Security Contributions and Benefits Act 1992 (c. 4)

- 1 The Social Security Contributions and Benefits Act 1992 is amended as follows.
- 2 In section 1 (outline of contributory system) –
 - (a) in subsection (2), omit paragraph (c);
 - (b) in subsection (4)(a), omit “2,”;
 - (c) in subsection (6) –
 - (i) in paragraph (a), for “, Class 1B or Class 2” substitute “or Class 1B”;
 - (ii) in paragraph (c), for “, Class 1B or Class 2” substitute “or Class 1B”.
- 3 Omit section 11 (Class 2 contributions).
- 4 Omit section 11A (application of certain provisions of the Income Tax Acts in relation to obligatory Class 2 contributions).
- 5 Omit section 12 (late paid Class 2 contributions).
- 6 In section 17 (exceptions, deferment and incidental matters relating to Class 4 contributions), after subsection (4) insert –

“(4A) The Commissioners for Her Majesty’s Revenue and Customs may by regulations provide for amounts paid by a woman under section 35A(1C)(a) (state maternity allowance: Class 3 contributions) in a tax year to be treated as paid in respect of her liability (if any) to pay a Class 4 contribution for the tax year where conditions specified in the regulations are met.”
- 7 In section 18 (Class 4 contributions recoverable under regulations), in subsection (1)(b) omit the words from “which” to “that subsection”.
- 8 (1) Section 19 (general power to regulate liability for contributions) is amended as follows.
 - (2) In subsection (4), omit paragraph (b) (together with the final “and”).
 - (3) In subsection (6), in paragraph (a) omit sub-paragraph (ii) (together with the “or” before it, but not the “and” after it).
- 9 In section 21 (contribution conditions), in subsection (5A)(b), for “22(1)(a),” substitute “22(1)(za) and (a),”.
- 10 In section 176 (parliamentary control), in subsection (1)(a), omit “section 11(8) or (9)”.

- 11 (1) Schedule 1 (supplementary provisions relating to contributions of Classes 1, 1A, 1B, 2, 3 and 3A) is amended as follows.
 - (2) In paragraph 6(1)(a), for “, Class 1B or Class 2” substitute “or Class 1B”.
 - (3) In paragraph 7B(1), for “, Class 1B or Class 2” substitute “or Class 1B”.
 - (4) In paragraph 7B(2)(h) –
 - (a) after sub-paragraph (ii) insert “or”, and
 - (b) omit sub-paragraph (iv) and the “or” before it.
 - (5) In paragraph 7BZA(1), for “, Class 1B or Class 2” substitute “or Class 1B”.
 - (6) Omit paragraph 7BB.
 - (7) In paragraph 8(1) –
 - (a) omit paragraph (f), and
 - (b) in paragraph (l) –
 - (i) in sub-paragraph (ii), for “, a Class 1B contribution or Class 2 contributions” substitute “or a Class 1B contribution”;
 - (ii) in sub-paragraph (iia), for “, Class 1A contributions or Class 2 contributions” substitute “or Class 1A contributions”;
 - (iii) omit paragraph (iii).
 - (8) In the heading of the Schedule, omit “2”.

Social Security Administration Act 1992 (c. 5)

- 12 The Social Security Administration Act 1992 is amended as follows.
- 13 (1) Section 110ZA (Class 1, 1A, 1B or 2 contributions: power to call for documents etc) is amended as follows.
 - (2) In subsection (3), for “, Class 1B or Class 2” substitute “or Class 1B”.
 - (3) In the heading, for “, 1B or 2” substitute “or 1B”.
- 14 In section 121 (unpaid contributions: supplementary), in subsection (6), for “or Class 2” substitute “, Class 2 or Class 4”.
- 15 (1) Section 141 (annual review of contributions) is amended as follows.
 - (2) In subsection (1), omit “2”.
 - (3) In subsection (4), omit paragraphs (a) and (b).
- 16 In section 143 (power to alter contributions with a view to adjusting level of National Insurance Fund) –
 - (a) in subsection (1), omit paragraph (c);
 - (b) omit subsection (3).
- 17 In section 145 (power to alter primary and secondary contributions), in subsection (4) –
 - (a) omit paragraph (a);
 - (b) in paragraph (b), for “that Act” substitute “the Contributions and Benefits Act”.
- 18 (1) Section 162 (destination of contributions) is amended as follows.

(2) In subsection (5), omit paragraph (d).

(3) In subsection (8)(c), omit “(d),”.

Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7)

19 The Social Security Contributions and Benefits (Northern Ireland) Act 1992 is amended as follows.

20 In section 1 (outline of contributory system) –

(a) in subsection (2), omit paragraph (c);

(b) in subsection (4)(a), omit “2,”;

(c) in subsection (6) –

(i) in paragraph (a), for “, Class 1B or Class 2” substitute “or Class 1B”;

(ii) in paragraph (c), for “, Class 1B or Class 2” substitute “or Class 1B”.

21 Omit section 11 (Class 2 contributions).

22 Omit section 11A (application of certain provisions of the Income Tax Acts in relation to obligatory Class 2 contributions).

23 Omit section 12 (late paid Class 2 contributions).

24 In section 17 (exceptions, deferment and incidental matters relating to Class 4 contributions), after subsection (4) insert –

“(4A) The Commissioners for Her Majesty’s Revenue and Customs may by regulations provide for amounts paid by a woman under section 35A(1C)(a) (state maternity allowance: Class 3 contributions) in a tax year to be treated as paid in respect of her liability (if any) to pay a Class 4 contribution for the tax year where conditions specified in the regulations are met.”

25 In section 18 (Class 4 contributions recoverable under regulations), in subsection (1)(b) omit the words from “which” to “that subsection”.

26 (1) Section 19 (general power to regulate liability for contributions) is amended as follows.

(2) In subsection (4), omit paragraph (b) (together with the final “and”).

(3) In subsection (6), in paragraph (a) omit sub-paragraph (ii) (together with the “or” before it, but not the “and” after it).

27 In section 21 (contribution conditions), in subsection (5A)(b), for “22(1)(a),” substitute “22(1)(za) and (a),”.

28 In section 172 (Assembly etc. control or regulations and orders), in subsection (11A), omit “11(8) or (9),”.

29 (1) Schedule 1 (supplementary provisions relating to contributions of Classes 1, 1A, 1B, 2, 3 and 3A) is amended as follows.

(2) In paragraph 6(1)(a), for “, Class 1B or Class 2” substitute “or Class 1B”.

(3) In paragraph 7B(1), for “, Class 1B or Class 2” substitute “or Class 1B”.

(4) In paragraph 7B(2)(h) –

- (a) after sub-paragraph (ii) insert “or”, and
 - (b) omit sub-paragraph (iv) and the “or” before it.
- (5) In paragraph 7BZA(1), for “, Class 1B or Class 2” substitute “or Class 1B”.
- (6) Omit paragraph 7BB.
- (7) In paragraph 8(1) –
- (a) omit paragraph (f), and
 - (b) in paragraph (l) –
 - (i) in sub-paragraph (ii), for “, a Class 1B contribution or Class 2 contributions” substitute “or a Class 1B contribution”;
 - (ii) in sub-paragraph (iia), for “, Class 1A contributions or Class 2 contributions” substitute “or Class 1A contributions”;
 - (iii) omit paragraph (iii).
- (8) In the heading of the Schedule, omit “2,”.

Social Security Administration (Northern Ireland) Act 1992 (c. 8)

- 30 The Social Security Administration (Northern Ireland) Act 1992 is amended as follows.
- 31 (1) Section 104ZA (Class 1, 1A, 1B or 2 contributions: power to call for documents etc) is amended as follows.
- (2) In subsection (3), for “, Class 1B or Class 2” substitute “or Class 1B”.
 - (3) In the heading, for “, 1B or 2” substitute “or 1B”.
- 32 In section 115 (unpaid contributions: supplementary), in subsection (5), for “or Class 2” substitute “, Class 2 or Class 4”.
- 33 (1) Section 142 (destination of contributions) is amended as follows.
- (2) In subsection (5), omit paragraph (d).
 - (3) In subsection (8)(c), omit “(d),”.

Social Security Contributions (Transfer of Functions, etc) Act 1999 (c. 2)

- 34 The Social Security Contributions (Transfer of Functions, etc) Act 1999 is amended as follows.
- 35 In section 4 (recovery of contributions where income tax recovery provisions not applicable), omit paragraph (aa).
- 36 (1) Section 8 (decisions by officers) is amended as follows.
- (2) Omit subsection (1A).
 - (3) For subsection (2) substitute –
 - “(2) No decision relating to a Class 4 contribution may be made under subsection (1) in relation to an issue specified in paragraph (c) or (e) of that subsection if the person to whom the decision would relate –
 - (a) has appealed under Part 5 of the Taxes Management Act 1970 in relation to that issue,
 - (b) can appeal under that Part in relation to that issue, or

- (c) might in the future, without the agreement of Her Majesty’s Revenue and Customs or permission of the tribunal, be able to appeal under that Part in relation to that issue.”

- 37 (1) In Schedule 4 (recovery of contributions where income tax recovery provisions not applicable), paragraph 2 is amended as follows.
- (2) In sub-paragraph (3), omit paragraph (a) (together with the final “and”) and “in any other case,” in paragraph (b).
 - (3) In sub-paragraph (5), omit the definition of “tax year”.

Social Security Contributions (Transfer of Functions, etc) (Northern Ireland) Order 1999 (S.I. 1999/671)

- 38 In the Social Security Contributions (Transfer of Functions, etc) (Northern Ireland) Order 1999, in Article 7 (decisions by officers) –
- (a) omit paragraph (1A);
 - (b) for paragraph (2) substitute –
 - “(2) No decision relating to a Class 4 contribution may be made under paragraph (1) in relation to an issue specified in sub-paragraph (c) or (e) of that paragraph if the person to whom the decision would relate –
 - (a) has appealed under Part 5 of the Taxes Management Act 1970 in relation to that issue,
 - (b) can appeal under that Part in relation to that issue, or
 - (c) might in the future, without the agreement of Her Majesty’s Revenue and Customs or permission of the tribunal, be able to appeal under that Part in relation to that issue.”

Social Security (Contributions) Regulations 2001 (S.I. 2001/1004)

- 39 (1) In the Social Security (Contributions) Regulations 2001, regulation 125 (share fishermen) is amended as follows.
- (2) The existing text becomes paragraph (1).
 - (3) In paragraph (1) –
 - (a) for sub-paragraph (b) substitute –
 - “(b) it is a condition of liability to pay a Class 4 contribution in respect of the employment that the share fisherman is domiciled or resident in Great Britain or Northern Ireland (as the case requires);”
 - (b) omit sub-paragraphs (c), (d), (e) and (g) (and the “and” before sub-paragraph (g)).
 - (4) After paragraph (1) insert –
 - “(2) Paragraph (1)(b) has effect subject to any Order in Council giving effect to any reciprocal agreement made under section 179 of the Administration Act (reciprocal agreements with countries outside the United Kingdom).”

- (5) The amendments made by sub-paragraphs (1) to (4) are without prejudice to any power to make regulations amending or revoking the provisions amended.

National Insurance Contributions Act 2015 (c. 5)

- 40 The National Insurance Contributions Act 2015 is amended as follows.
41 Omit section 3 (consequential etc power).

Withdrawn