
STATUTORY INSTRUMENTS

1992 No. 1440

SOCIAL SECURITY

**The Social Security (Contributions)
Amendment (No. 6) Regulations 1992**

<i>Made</i>	- - - -	<i>18th June 1992</i>
<i>Laid before Parliament</i>		<i>19th June 1992</i>
<i>Coming into force</i>	- -	<i>10th July 1992</i>

The Secretary of State for Social Security, with the concurrence of the Inland Revenue in so far as their concurrence is required, in exercise of powers conferred by section 166(2) of, and paragraphs 5(1)(a) and (b) and 6(1)(ggg) and (h) of Schedule 1 to, and Schedule 20 to, the Social Security Act 1975(1), and of all other powers enabling him in that behalf, after agreement by the Social Security Advisory Committee that proposals to make these Regulations should not be referred to it(2), hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Contributions) Amendment (No. 6) Regulations 1992 and shall come into force on 10th July 1992.

(2) In these Regulations “the principal Regulations” means the Social Security (Contributions) Regulations 1979(3) and references to “Schedule 1” are references to Schedule 1 to the principal Regulations.

Amendment of regulation 32 of the principal Regulations

2. In regulation 32(1) of the principal Regulations (return of contributions)(4) for the words from the beginning of sub-paragraph (b) to the end of paragraph (1), there shall be substituted the following sub-paragraph—

“(b) in the case of—

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- (1) 1975 c. 14. Paragraph 5(1)(a) of Schedule 1 was amended by section 2(3)(a) of the Social Security (Contributions) Act 1991 (c. 42); paragraph 6(1)(ggg) was inserted by section 2(5)(c) of that Act; paragraph 6(1)(h) was amended by paragraph 10 of Schedule 10 to the Social Security Act 1986 (c. 50). Schedule 20 is cited because of the meaning ascribed to the words “prescribe” and “regulations”.
- (2) See the Social Security Act 1986, section 61(1)(b) and (10). The Social Security Act 1989 (c. 24), Schedule 8, paragraph 12(4) added a definition of “regulations” to section 61(10) of the Social Security Act 1986.
- (3) S.I. 1979/591; relevant amending instruments are S.I. 1981/82, 1982/206, 1983/395, 1984/77, 1985/396, 1985/1398, 1987/413, 1990/605, 1991/640, 1991/1632 and 1992/97.
- (4) Regulation 32(1) was amended by S.I. 1984/77, 1985/1398 and 1992/97.

- (i) Class 1 contributions, or
- (ii) Class 2 contributions paid in excess of the amount prescribed in regulation 17, does not exceed the amount of one fifteenth of a standard rate contribution payable on earnings at the upper earnings limit in respect of primary Class 1 contributions prescribed in regulation 7 of these Regulations for the last or only year in respect of which the contributions were paid.”.

Amendment of regulation 33A of the principal Regulations

3. For paragraph (1) of regulation 33A of the principal Regulations (repayment of Class 1A contributions)(5) there shall be substituted the following paragraph–

“(1) Subject to the provisions of regulations 31 and 35 of these Regulations and the following paragraphs of this regulation, where, in a case prescribed in paragraph (2) of this regulation, the Secretary of State is satisfied, in the light of information of a kind mentioned in section 4A(6)(a), (b) or (c) of the Act, that too much has been paid in respect of a Class 1A contribution, the Secretary of State shall repay to the person paying that contribution the amount of that part of that contribution which has been overpaid, unless that amount does not exceed £0.50.”.

Amendment of Regulation 13 in Schedule 1

4.—(1) Regulation 13(6) in Schedule 1 (calculation and recording of deductions of earnings-related contributions)(6) shall be amended in accordance with the following paragraphs of this regulation.

(2) For the words “subject to the provisions of paragraph (6B) of this Regulation and the provisions of Regulation 13A(b)” there shall be substituted the words “subject to the provisions of paragraph (6B) of this Regulation and to Regulations 13A(b) and 26D(4)”.

(3) In head (vi) of sub-paragraph (b)(7) for the word “payable” there shall be substituted the words “payable, other than earnings from non-contracted-out employment in respect of which primary Class 1 contributions are payable at the reduced rate”.

(4) After head (vii) of sub-paragraph (b)(8) there shall be added the following head–

“(viii) the earnings, if any, recorded under head (vi) of this sub-paragraph, above the lower earnings limit, in respect of which primary Class 1 contributions are payable at the reduced rate;”.

(5) For sub-paragraph (c) there shall be substituted the following sub-paragraph–

“(c) when the employment is contracted-out employment–

- (i) the amount of that part of the contributions recorded under head (iv)(9) of the last preceding sub-paragraph which was payable at the contracted-out percentage on earnings above the lower earnings limit;
- (ii) the amount of that part of the contributions recorded under head (iv) of the last preceding sub-paragraph which was payable on earnings above the lower earnings limit, if primary Class 1 contributions are payable at the reduced rate.”.

(5) Regulation 33A was inserted by S.I. [1992/97](#).

(6) Regulation 13(6) was amended by S.I. [1981/82](#), [1983/395](#), [1984/77](#), [1987/413](#), [1991/640](#) and [1992/97](#).

(7) Head (vi) of sub-paragraph (b) was added by S.I. [1987/413](#) and amended by S.I. [1991/640](#).

(8) Head (vii) of sub-paragraph (b) was added by S.I. [1987/413](#).

(9) Head (iv) of sub-paragraph (b) was substituted by S.I. [1983/395](#).

Amendment of Regulation 13A in Schedule 1

5. At the beginning of Regulation 13A in Schedule 1 (recording of Class 1A contributions)(10) there shall be inserted the words “Subject to Regulation 26D(4),”.

Amendment of Regulation 25 in Schedule 1

6. In Regulation 25 in Schedule 1 (certificate of contributions paid)(11) for paragraph (a) there shall be substituted the following paragraph—

“(a) is required to give the employee a certificate in accordance with Regulation 25 of the Income Tax Regulations (certificate of tax deducted), the employer shall enter thereon in respect of the year to which the certificate relates—

- (i) the amount of any earnings in respect of which primary Class 1 contributions were payable, other than earnings from non-contracted-out employment in respect of which primary Class 1 contributions were payable at the reduced rate;
- (ii) the amount of the earnings, if any, recorded under head (i) of this paragraph, in respect of which primary Class 1 contributions were payable at the contracted-out percentage;
- (iii) the amount of the earnings, if any, recorded under head (i) of this paragraph, above the lower earnings limit, in respect of which primary Class 1 contributions were payable at the reduced rate;
- (iv) the amount of primary Class 1 contributions paid by the employee;
- (v) the amount, if any, of the contributions recorded under head (iv) of this paragraph paid at the contracted-out percentage on earnings above the lower earnings limit;
- (vi) the amount, if any, of the contributions recorded under head (iv) of this paragraph paid on earnings above the lower earnings limit, if primary Class 1 contributions were payable at the reduced rate;

and shall enter each of the amounts under heads (iv), (v) and (vi) above under the appropriate category letter indicated by the Secretary of State;”.

Amendment of Regulation 26A in Schedule 1

7. In Regulation 26A(3) in Schedule 1 (payment of earnings-related contributions quarterly by employer)(12) for the sum of “£400” there shall be substituted the sum of “£450”.

Amendment of Regulation 26C in Schedule 1

8. In Regulation 26C(1) in Schedule 1 (payment of Class 1A contributions)(13) for the words “Subject to paragraph (2)” there shall be substituted the words “Subject to Regulation 26D(5) and to the provisions of paragraph (2)”.

Insertion of Regulation 26D into Schedule 1

9. After Regulation 26C in Schedule 1 there shall be inserted the following Regulation—

(10) Regulation 13A was inserted by S.I. 1992/97.

(11) Regulation 25 was inserted by S.I. 1984/77 and amended by S.I. 1987/413 and 1991/640.

(12) Regulation 26A was inserted by S.I. 1991/1632.

(13) Regulation 26C was inserted by S.I. 1992/97.

“Payment of Class 1A contributions on succession to, or cessation of, business

26D.—(1) The provisions of paragraphs (4), (5) and (6) of this Regulation shall apply in relation to the payment of Class 1A contributions—

- (a) in the circumstances specified in paragraph (2)(a) of this Regulation, in respect of the employees described in paragraph (3)(a) of this Regulation; and
- (b) in the circumstances specified in paragraph (2)(b) of this Regulation, in respect of the employees described in paragraph (3)(b) of this Regulation.

(2) For the purposes of—

- (a) paragraph (1)(a) of this Regulation, the circumstances are that there is a change in the employer who is liable to pay emoluments to or for the benefit of all the persons who are employed in a business in respect of their employment in that business;
- (b) paragraph (1)(b) of this Regulation, the circumstances are that an employer ceases to carry on business and upon that cessation no other person becomes liable to pay emoluments to or for the benefit of any employee in respect of his employment in that business.

(3) For the purposes of—

- (a) paragraph (1)(a) of this Regulation, the employees are those who ceased to be employed in the business referred to in sub-paragraph (a) of paragraph (2) of this Regulation before the change of employer referred to in that sub-paragraph occurred;
- (b) paragraph (1)(b) of this Regulation, the employees are all those who were employed in the business referred to in sub-paragraph (b) of paragraph (2) of this Regulation at any time in the relevant final year or the year immediately preceding the relevant final year.

(4) Not later than 12 days after the end of the relevant final income tax month, the employer shall record on the deductions working sheet for the relevant final year, for each employee in respect of whom he is liable to pay a Class 1A contribution referred to in paragraph (1) of this Regulation in respect of that year, the following particulars in addition to any particulars required under Regulation 13(6) or 13A(b), namely—

- (a) the appropriate category letter indicated by the Secretary of State for recording the amount of the Class 1A contributions payable by an employer, and
- (b) the amount of the Class 1A contribution which the employer has calculated as being payable by him in accordance with section 4A(4) of the Act for that year in respect of the employee and car in question.

(5) Not later than 14 days after the end of the relevant final income tax month, the employer shall pay to the Collector—

- (a) any Class 1A contribution referred to in paragraph (1) of this Regulation in respect of the relevant final year; and
- (b) where the relevant final income tax month is the month beginning on 6th April or 6th May, any Class 1A contribution referred to in paragraph (1) of this Regulation in respect of the year immediately preceding the relevant final year.

(6) The employer shall include the amount of any Class 1A contribution which is payable in accordance with paragraph (5)(a) of this Regulation in the return required by Regulation 30(1) for the relevant final year, by showing that amount in the particulars required under paragraph (1)(i) of that Regulation and by including that amount in the particulars required under paragraph (2)(h) and (i) of that Regulation.

(7) In this Regulation, unless the context otherwise requires—

- (a) “business” includes any trade, concern or undertaking;

- (b) “employer” means—
 - (i) where the circumstances are those specified in sub-paragraph (a) of paragraph (2) of this Regulation, the employer before the change referred to in that sub-paragraph;
 - (ii) where the circumstances are those specified in sub-paragraph (b) of paragraph (2) of this Regulation, the employer referred to in that sub-paragraph;
- (c) “relevant final income tax month” means the income tax month in which the employer has made any payments of emoluments which, by reason of either—
 - (i) the change of employer referred to in paragraph (2)(a) of this Regulation, or
 - (ii) the cessation of business referred to in paragraph (2)(b) of this Regulation,were, in respect of the employment of all those persons who were employed by him in that income tax month, the final payments of emoluments to be made by him in the year in which those payments were made; and
- (d) “relevant final year” means the year in which the relevant final income tax month occurs.”.

Amendment of Regulation 27 in Schedule 1

10. In Regulation 27 in Schedule 1 (employer failing to pay earnings-related contributions or Class 1A contributions)(**14**)—

- (a) in paragraph (2A) for the words “the date which applies to him under Regulation 26C(1) or (2)” there shall be substituted the words “the date which applies to him under Regulation 26C(1) or (2) or 26D(5)”; and
- (b) in paragraph (3)(b) for the words “paid to him by the employer under Regulation 26C(1) or (2)” there shall be substituted the words “paid to him by the employer under Regulation 26C(1) or (2) or 26D(5)”.

Amendment of Regulation 27B in Schedule 1

11.—(1) Regulation 27B in Schedule 1 (specified amount of Class 1A contributions)(**15**) shall be amended in accordance with the following paragraphs of this regulation.

- (2) In paragraph (1)—
 - (a) for the words “If after 14 days following the date which applies to him under Regulation 26C(1) or (2)” there shall be substituted the words “If after the date which applies to him under Regulation 26C(1) or (2) or 26D(5)”; and
 - (b) for the words “in respect of the preceding year” there shall be substituted the words “in respect of the year in question”.

(2) In paragraph (2) for the words “which the employer was liable to pay in respect of that year in accordance with Regulation 26C(1) or (2)” there shall be substituted the words “which the employer was liable to pay in respect of the year in question in accordance with Regulation 26C(1) or (2) or 26D(5)”.

(3) In paragraph (3) for the words “which the employer is liable to pay under Regulation 26C(1) or (2) in respect of that year” there shall be substituted the words “which the employer is liable to pay under Regulation 26C(1) or (2) or 26D(5) in respect of the year in question”.

(14) Regulation 27 was substituted by S.I. 1990/605 and amended by S.I. 1991/1632 and 1992/97.

(15) Regulation 27B was inserted by S.I. 1992/97.

(4) In paragraph (5) for the words “paid to him by the employer under Regulation 26C(1) or (2)” there shall be substituted the words “paid to him by the employer under Regulation 26C(1) or (2) or 26D(5)”.

(5) In paragraph (7) for the words “which he would have been liable to pay in respect of the preceding year” there shall be substituted the words “which he would have been liable to pay in respect of the year in question”.

Amendment of Regulation 28 in Schedule 1

12. In Regulation 28(1)(b) in Schedule 1 (recovery of earnings-related contributions or Class 1A contributions)(**16**) for the words “in accordance with Regulation 26C(1) or (2)” there shall be substituted the words “in accordance with Regulation 26C(1) or (2) or 26D(5)”.

Amendment of Regulation 30 in Schedule 1

13.—(1) Regulation 30 in Schedule 1 (return by employer at end of year)(**17**) shall be amended in accordance with the following paragraphs of this regulation.

(2) For head (ii) of paragraph (1)(c)(**18**) there shall be substituted the following head—

“(ii) the total amounts for the year shown under each of the heads (i) and (ii) severally of Regulation 13(6)(c) of these Regulations, and”.

(3) For sub-paragraphs (g) and (h) of paragraph (1)(**19**) there shall be substituted the following sub-paragraphs—

“(g) the total amounts for the year shown under each of the heads (vii) and (viii) severally of Regulation 13(6)(b) of these Regulations rounded down to the next whole pound if not already whole pounds,

(h) the amount of any Class 1A contribution payable in respect of the year immediately preceding the year to which the return relates, shown in the return under the appropriate category letter and separately from the total amounts under head (iii) of Regulation 13(6)(b) of these Regulations and from any amount under sub-paragraph (i) of this paragraph, and

(i) in the case of an employer to whom Regulation 26D(5)(a) applies, the amount of any Class 1A contribution payable in respect of the year to which the return relates, shown in the return under the appropriate category letter and separately from the total amounts under head (iii) of Regulation 13(6)(b) of these Regulations and from any amount under sub-paragraph (h) of this paragraph.”.

(4) In paragraph (6)(**20**)—

(a) for the words “any Class 1A contributions which he is liable to pay in respect of the year immediately preceding that year” there shall be substituted the words “any Class 1A contributions which he is liable to pay in respect of the year immediately preceding the year in question, or, in the case of an employer to whom Regulation 26D(5)(a) applies, in respect of the year in question”;

(b) in sub-paragraph (a) for the words “earnings-related contributions remaining unpaid for that year” there shall be substituted the words “earnings-related contributions remaining unpaid for the year in question”; and

(16) Regulation 28 was substituted by S.I. 1992/97.

(17) Regulation 30(1) was substituted by S.I. 1981/82 and amended by S.I. 1983/395, 1985/396, 1987/413, 1990/605 and 1992/97.

(18) Paragraph (1)(c) was amended by S.I. 1983/395.

(19) Paragraph (1)(g) was added by S.I. 1987/413 and amended by S.I. 1992/97; paragraph (1)(h) was added by S.I. 1992/97.

(20) Regulation 30(6) was substituted by S.I. 1992/97.

- (c) in sub-paragraph (b) for the words “Class 1A contributions remaining unpaid in respect of the year immediately preceding that year” there shall be substituted the words “Class 1A contributions remaining unpaid in respect of the year immediately preceding the year in question and, in the case of an employer to whom Regulation 26D(5)(a) applies, in respect of the year in question”.

Amendment of Regulation 30A in Schedule 1

14.—(1) Regulation 30A(2) in Schedule 1 (special return by employer at end of voyage period)(**21**) shall be amended in accordance with the following paragraphs of this regulation.

(2) For heads (i) and (ii) of sub-paragraph (f) there shall be substituted the following heads—

- “(i) the amounts of that part of the contributions shown under sub-paragraph (e) above which were payable at the contracted-out percentage on earnings above the lower earnings limit,
(ii) the amounts of that part of the contributions shown under sub-paragraph (e) above which were payable on earnings above the lower earnings limit, if primary Class 1 contributions were payable at the reduced rate, and
(iii) the number notified by the Occupational Pensions Board on the relevant contracting-out certificate as the employer’s number.”.

(3) In sub-paragraph (g)(**22**) for the words “payable, and” there shall be substituted the words “payable, other than earnings from non-contracted-out employment in respect of which primary Class 1 contributions were payable at the reduced rate,”.

(4) At the end of sub-paragraph (h)(**23**) for the word “percentage.” there shall be substituted the words “percentage, and”.

(5) After sub-paragraph (h) there shall be added the following sub-paragraph—

- “(i) the total amount of earnings, if any, shown under sub-paragraph (g) of this paragraph, above the lower earnings limit, in respect of which primary Class 1 contributions were payable at the reduced rate.”.

Amendment of Regulation 32 in Schedule 1

15.—(1) Regulation 32 in Schedule 1 (inspection of employer’s records)(**24**) shall be amended in accordance with the following paragraphs of this regulation.

(2) In paragraph (1) for the words “at the employer’s premises” there shall be substituted the words “at such time as that officer may reasonably require, at the prescribed place”.

(3) After paragraph (1) there shall be inserted the following paragraphs—

“(1A) In paragraph (1) of this Regulation “the prescribed place” means—

- (a) such place in Great Britain as the employer and the authorised officer may agree upon; or
(b) in default of such agreement, the place in Great Britain at which the documents and records referred to in paragraph (1)(a) or (aa) of this Regulation are normally kept; or
(c) in default of such agreement and if there is no such place as is referred to in sub-paragraph (b) above, the employer’s principal place of business in Great Britain.

(1B) The authorised officer may—

(21) Regulation 30A was inserted by S.I. 1982/206 and amended by S.I. 1987/413 and 1991/640.

(22) Sub-paragraph (g) was added by S.I. 1987/413 and amended by S.I. 1991/640.

(23) Sub-paragraph (h) was added by S.I. 1987/413.

(24) Regulation 32 was amended by S.I. 1981/82, 1983/395, 1984/77, 1987/413, 1991/1632 and 1992/97.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (a) take copies of, or make extracts from, any documents produced to him for inspection in accordance with paragraph (1) of this Regulation;
- (b) if it appears to him to be necessary to do so, at a reasonable time and for a reasonable period, remove any document so produced, and, if he does so, shall provide a receipt for any documents so removed; and where a lien is claimed on a document produced in accordance with paragraph (1) of this Regulation, the removal of the document under this sub-paragraph shall not be regarded as breaking the lien;

and where a document removed in accordance with sub-paragraph (b) of this paragraph is reasonably required for the proper conduct of a business the authorised officer shall within 7 days provide a copy of the document, free of charge, to the person by whom it was produced or caused to be produced.”.

Signed by authority of the Secretary of State for Social Security.

16th June 1992

Ann Widdecombe
Parliamentary Under-Secretary of State,
Department of Social Security

The Commissioners of Inland Revenue hereby concur

18th June 1992

A. M. W. Battishill
C. W. Corlett
Two of the Commissioners of Inland Revenue

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Social Security (Contributions) Regulations 1979 (“the principal Regulations”).

Regulations 2 and 3 make minor drafting amendments to the principal Regulations. Regulation 2 amends regulation 32(1) to confine to Class 1 and Class 2 contributions a provision in that regulation specifying the minimum amount for the return of contributions paid in error or in excess. Regulation 3 amends regulation 33A(1) to clarify a reference to the person who has made an overpayment of a Class 1A contribution.

Regulations 4 to 15 amend Schedule 1 to the principal Regulations, which applies certain provisions of the Income Tax (Employments) Regulations 1973 (S.I.1973/334), with extensions and modifications, to the collection of earnings-related contributions and Class 1A contributions.

Regulations 4, 6, 13 and 14 amend, respectively, Regulations 13(6), 25, 30 and 30A in Schedule 1. These amendments remove certain requirements on employers to record earnings from non-contracted-out employment on which primary Class 1 contributions are payable at the married women’s reduced rate. In the case of contracted-out employment, the amendments require the recording of earnings above the lower earnings limit on which primary Class 1 contributions are payable at the reduced rate and the amount of those contributions.

Regulation 7 amends Regulation 26A(3) in Schedule 1, to increase from £400 to £450 the amount which determines whether the option for quarterly payment of earnings-related contributions is available to an employer.

Regulation 9 inserts a Regulation 26D into Schedule 1. The inserted Regulation requires that, on a cessation of business, an employer shall pay any Class 1A contribution in respect of the current year within 14 days after the income tax month in which he makes the final payment of earnings to his employees; and that, on a change of employer, the employer before the change shall similarly pay any Class 1A contribution in respect of any employee whose employment ceased before the change occurred. The inserted Regulation also requires the recording of those contributions on the deductions working sheets and the annual return for that year.

Regulations 4, 5, 8, 10, 11, 12 and 13 make minor consequential amendments to Regulations 13(6), 13A, 26C, 27, 27B, 28 and 30, respectively, in Schedule 1, relating to the inserted Regulation 26D.

Regulation 11 also amends Regulation 27B to allow the Collector of Taxes, immediately after the date when payment is required under the Regulations in Schedule 1, to use the procedure for estimating the amount of unpaid Class 1A contributions which he considers an employer is liable to pay.

Regulation 15 amends Regulation 32 in Schedule 1, to make further provision for the inspection of the employer’s records and for the taking of copies or the removal of any documents produced for inspection.