

---

STATUTORY RULES OF NORTHERN IRELAND

---

**1996 No. 566**

**The Social Security (Contributions) (Amendment  
No. 6) Regulations (Northern Ireland) 1996**

**Amendment of regulation 18 of the principal Regulations**

3. In regulation 18 of the principal Regulations (calculation of earnings)—
- (a) in paragraph (2)(1) for “paragraph (4), (6), (8) or (9)” there shall be substituted “paragraph (4), (6), (7A), (8) or (9)”;
  - (b) after paragraph (7)(2) there shall be inserted the following paragraph—

“(7A) The amount of earnings which is comprised in any payment by way of the conferment of a beneficial interest in any option to acquire any asset falling within Schedule 1A to these Regulations(3) and which falls to be taken into account in the computation of a person’s earnings shall, for the purposes of earnings-related contributions, be calculated or estimated by reference to the amount which would be comprised in accordance with paragraph (2) of this regulation or, where paragraph (4), (6), (8) or (9) of this regulation would apply in accordance with that paragraph, in a payment by way of the conferment of a beneficial interest—

    - (a) in the asset which may be acquired by the exercise of that option; or
    - (b) where—
      - (i) that asset (the first asset) may be exchanged for another asset (the second asset), and
      - (ii) the value of the beneficial interest in the second asset is greater than that in the first asset,in that second asset,on the day the beneficial interest in the option is conferred, reduced by the amount or value (or if variable, the least amount or value) of the consideration for which the asset may be so acquired.”;
  - (c) in paragraph (8)(4)—
    - (i) for “paragraph 9ZA, 9ZB or 9B of Schedule 1A to these regulations” there shall be substituted “paragraph 9ZA or 9ZB of Schedule 1A to these Regulations or in any voucher falling within paragraph 9B or 9C of that Schedule”;
    - (ii) at the end there shall be added—

“; and for the purposes of this paragraph “the cost of the asset” in relation to any voucher includes the cost of any asset for which that voucher is capable of being exchanged”;

---

(1) Paragraph (2) was added by S.R. 1991 No. 490 and amended by S.R. 1994 No. 328 and S.R. 1995 No. 146

(2) Paragraph (7) was substituted by S.R. 1993 No. 463

(3) Schedule 1A was inserted by S.R. 1991 No. 490 and amended by S.R. 1993 No. 463, S.R. 1994 No. 328 and S.R. 1995 No. 146

(4) Paragraph (8) was added by S.R. 1994 No. 328

(d) for paragraph (9)(5) there shall be substituted the following paragraph—

“(9) The amount of earnings which is comprised in any payment by way of the conferment of a beneficial interest in any asset falling within Schedule 1A to these Regulations for which trading arrangements exist and which falls to be taken into account in the computation of a person’s earnings shall, for the purposes of earnings-related contributions, be calculated or estimated in accordance with the following provisions of this paragraph—

- (a) the amount of earnings shall be calculated or estimated by reference to the amount which is the greater of—
  - (i) the amount obtainable under the trading arrangements in question,
  - (ii) the amount calculated or estimated in accordance with paragraph (2) of this regulation or, where paragraph (4), (6), (7A) or (8) of this regulation would apply, the amount calculated or estimated in accordance with that paragraph;
- (b) the calculation or estimate of the amount of earnings by reference to the amount obtainable under trading arrangements shall be carried out on the basis that such amount was obtained on the day on which the beneficial interest was conferred;
- (c) the reference in this paragraph to an asset does not include any voucher falling within paragraph 9B or 9C of Schedule 1A to these Regulations.”.