

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend regulation 22 of the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004: “the 2001 Regulations”) to secure parity of treatment for income tax and national insurance contributions purposes in respect of sums of earnings which are retrospectively taxed by virtue of Schedule 2 to the Finance (No. 2) Act 2005 (c. 22) and section 92 of the Finance Act 2006 (c. 25).

Regulation 1 provides for the citation, commencement and effect of the Regulations.

Regulation 2 effects the amendments to regulation 22 of the 2001 Regulations.

A regulatory impact assessment in respect of the measures contained in the Bill which became the National Insurance Contributions Act 2006, in consequence of the enactment of which these Regulations are made, was published by HM Revenue and Customs at [www.hmrc.gov.uk/ria/ria-nicbill05.pdf](http://www.hmrc.gov.uk/ria/ria-nicbill05.pdf). The assessment was that the impact of the Act would be minimal.

Authority for the retrospective provision made by these Regulations is conferred by section 4B(1) (b) of each of the Social Security Contributions and Benefits Act 1992 (c. 4) and the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7). Those sections were inserted by sections 1 and 2 respectively of the National Insurance Contributions Act 2006 (c. 10).