

# NATIONAL INSURANCE CONTRIBUTIONS AND STATUTORY PAYMENTS ACT 2004

---

## EXPLANATORY NOTES

### OVERVIEW OF THE ACT

#### *Administration of National Insurance contributions and Statutory Sick Pay and Statutory Maternity Pay*

7. Prior to 1999 the collection and administration of National Insurance contributions and the administration of SSP and SMP were the responsibility of the then Department of Social Security (now the Department for Work and Pensions) and its predecessors. From 1 April 1999 these functions were transferred to the Inland Revenue by the Social Security Contributions (Transfer of Functions etc.) Act 1999 (ToFA 1999).
8. The ToFA 1999 did not, however, align fully the processes and powers for administering contributions and SSP and SMP with those which apply to tax. The measures in sections 5 to 10 are designed to enable the Inland Revenue to deal with the administration of tax, national insurance contributions and SSP and SMP in a coherent manner and, where possible, in a single transaction by:
  - aligning the periods of notice required for distraint action to recover contribution debt in England and Wales with those which apply in the recovery of tax – [section 5](#);
  - aligning the periods of notice required in Scotland for application for a summary warrant to recover contribution debt with those which apply in the recovery of tax – [section 5](#);
  - aligning distraint procedures to recover contribution debt in Northern Ireland with those which apply in England and Wales – [section 6](#);
  - allowing for future application of tax law to the recovery of contributions by means of secondary legislation – [sections 5\(4\) and 6\(3\)](#);
  - aligning the powers of Inland Revenue officers to inspect records and gather information for tax and contributions purposes – [sections 7 and 8](#); and
  - aligning the compliance regime for SSP and SMP with that which applies to the other statutory payments – ie. statutory adoption pay and statutory paternity pay – by replacing criminal penalties for non-compliance with civil penalties – [sections 9 and 10](#).