

*These notes refer to the National Insurance Contributions and Statutory Payments Act 2004 (c.3) which received Royal Assent on 13 May 2004*

# **NATIONAL INSURANCE CONTRIBUTIONS AND STATUTORY PAYMENTS ACT 2004**

---

## **EXPLANATORY NOTES**

### **BACKGROUND TO THE ACT**

#### ***Aligning the compliance regime for SSP and SMP with that which applies to tax and the other statutory payments***

##### ***Current position***

45. Employers' failures to meet their obligations under the SSP and SMP schemes are currently dealt with by a series of minor criminal offences under section 113 of the SSAA 1992 which are punishable by a fine not exceeding level 3 on the standard scale – currently £1,000. Equivalent failures in relation to tax, statutory paternity pay and statutory adoption pay are dealt with by civil penalties up to a maximum of £3,000.
46. As a result an employer's failure in relation to SSP and SMP can result in him receiving a criminal record whereas an identical failure in relation to another statutory payment does not.

##### ***Effect of the measure***

47. [Section 9](#) (Great Britain) and section 10 (Northern Ireland) provide that, as is the case with statutory paternity pay and statutory adoption pay, employers' failures to meet their obligations under the SSP and SMP schemes are subject to civil penalties which reflect those applicable under the TMA 1970.