

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

Powers to combine recovery of contributions with tax

Current position

33. National Insurance matters are outside the scope of Finance Acts. Para 6 of Schedule 1 to the CBA 1992 provides for the provisions of the Income Tax Acts or PAYE regulations to have effect in respect of administration of various contributions. This provision obviates the need to amend primary legislation relating to National Insurance contributions to reflect changes to tax legislation made through the Finance Act.
34. There is no equivalent provision in relation to contributions which are not collected with tax (in particular Class 1A and Class 2). As a result, misalignment with the tax system can arise until such time as space is found in the Government's legislative programme for change to the relevant contributions legislation.

Effect of the measure

35. [Section 5\(4\)](#) (Great Britain) and [section 6\(3\)](#) (Northern Ireland) provide a power for the Inland Revenue to make regulations to apply the provisions of tax legislation to the recovery of unpaid National Insurance contributions which are not collected with tax.