

NATIONAL INSURANCE CONTRIBUTIONS AND STATUTORY PAYMENTS ACT 2004

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Administration of National Insurance contributions and Statutory Sick

Pay and Statutory Maternity Pay

Schedule 1 - Minor and consequential amendments

81. Paragraph 1 provides for amendments to the CBA 1992.
82. Paragraph 1(2) amends section 10A(4) of the CBA 1992 to reflect the renumbering of the provisions in sections 6 and 10 of the CBA 1992 by paragraph 2 of Schedule 9 to the Welfare Reform and Pensions Act 1999 and section 74 of the Child Support, Pensions and Social Security Act 2000 respectively. Section 10A of the CBA 1992 deals with Class 1B contributions.
83. Paragraph 1(3) amends section 18 of the CBA 1992. Section 18 deals with special Class 4 contributions payable by people who are treated as self-employed for contributions purposes but who are not taxed under Schedule D. The amendment inserts a reference to the new paragraph 7BZA of Schedule 1 to the CBA 1992 (inserted by section 5(4)) alongside the existing reference to paragraph 6 to that Schedule to prevent duplication of provision to apply tax legislation to the recovery of Class 4 contributions.
84. Paragraph 2 makes equivalent amendments to the CB(NI)A 1992 in respect of Northern Ireland.
85. Paragraph 3 provides for amendments to the SSAA 1992.
86. Paragraph 3(2) amends section 111 (3) of the SSAA 1992 to reflect the fact that the new section 110ZA (inserted by section 7) does not provide powers of itself but extends section 20 of the TMA 1970. This prevents a breach of section 20 in relation to National Insurance contributions becoming a criminal offence by virtue of section 111(1). Breaches of section 20 are dealt with by way of civil penalties under other provisions of the TMA 1970.
87. Paragraph 3(3):
 - removes part of section 162 of the SSAA 1992 which relates to penalties for breaches of the old section 110ZA (*sub-paragraphs (a) and (b)*); and
 - amends section 162(4A) of the SSAA 1992 by inserting a reference to the new paragraph 7BZA of Schedule 1 to the CBA 1992 (inserted by section 5(4)) to provide that any interest or penalties on late paid contributions recovered under the new powers are paid into the National Insurance Fund.

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

88. [Paragraph 4](#) makes equivalent amendments to the SS(NI)A 1992 in respect of Northern Ireland.
89. [Paragraph 5](#) amends section 4 of the ToFA 1999. Section 4 of, and Schedule 4 to, the ToFA 1999 provide the legislative framework for the recovery through the courts of National Insurance contributions which are not collected with tax. The amendments at sub-paragraphs (2) and (4) have the effect of disapplying the provisions of Schedule 4 to the ToFA 1999 in relation to the recovery of contributions to which tax provisions apply by virtue of regulations made under paragraph 7BZA of Schedule 1 to the CBA 1992 or the CB(NI)A 1992 (inserted by section 5(4) and 6(3)). The amendment at paragraph (3) disapplies the provisions of Schedule 4 to the ToFA in relation to Class 4 contributions payable by virtue of section 18 of the CBA 1992 which are to be recovered under tax legislation.