



# National Insurance Contributions Act 2014

## 2014 CHAPTER 7

### *Partnerships*

#### **13 Class 4 contributions: partnerships**

- (1) SSCBA 1992 is amended as follows.
- (2) After section 18 insert—

##### **“18A Class 4 contributions: partnerships**

- (1) The Treasury may by regulations—
  - (a) modify the way in which liabilities for Class 4 contributions of a partner in a firm are determined, or
  - (b) otherwise modify the law relating to Class 4 contributions,as they consider appropriate to take account of the passing or making of a provision of the Income Tax Acts relating to firms or partners in firms.
- (2) “Firm” has the same meaning as in the Income Tax (Trading and Other Income) Act 2005 (and includes a limited liability partnership in relation to which section 863(1) of that Act applies); and “partner” is to be read accordingly and includes a former partner.
- (3) Regulations under this section may have retrospective effect; but they may not have effect before the beginning of the tax year in which they are made.”
- (3) In section 176(1)(a) (parliamentary control: instruments subject to affirmative procedure), after “section 18;” insert—  
“section 18A;”.
- (4) SSCB(NI)A 1992 is amended as follows.
- (5) After section 18 insert—

**“18A Class 4 contributions: partnerships**

- (1) The Treasury may by regulations—
  - (a) modify the way in which liabilities for Class 4 contributions of a partner in a firm are determined, or
  - (b) otherwise modify the law relating to Class 4 contributions,
 as they consider appropriate to take account of the passing or making of a provision of the Income Tax Acts relating to firms or partners in firms.
- (2) “Firm” has the same meaning as in the Income Tax (Trading and Other Income) Act 2005 (and includes a limited liability partnership in relation to which section 863(1) of that Act applies); and “partner” is to be read accordingly and includes a former partner.
- (3) Regulations under this section may have retrospective effect; but they may not have effect before the beginning of the tax year in which they are made.”
- (6) In section 172(11A) (parliamentary control: instruments subject to affirmative procedure), after “18,” insert “18A,”.
- (7) The amendments made by this section come into force at the end of the period of 2 months beginning with the day on which this Act is passed.

**14 Limited liability partnerships**

- (1) SSCBA 1992 is amended as follows.
- (2) After section 4A insert—

**“4AA Limited liability partnerships**

- (1) The Treasury may, for the purposes of this Act, by regulations—
  - (a) provide that, in prescribed circumstances—
    - (i) a person (“E”) is to be treated as employed in employed earner’s employment by a limited liability partnership (including where E is a member of the partnership), and
    - (ii) the limited liability partnership is to be treated as the secondary contributor in relation to any payment of earnings to or for the benefit of E as the employed earner;
  - (b) prescribe how earnings in respect of E’s employed earner employment with the limited liability partnership are to be determined (including what constitutes such earnings);
  - (c) provide that such earnings are to be treated as being paid to or for the benefit of E at prescribed times.
- (2) Regulations under subsection (1) may modify the definition of “employee” or “employer” in section 163, 171, 171ZJ or 171ZS below as the Treasury consider appropriate to take account of any provision falling within subsection (1)(a) to (c).
- (3) If—

- (a) a provision of the Income Tax Acts relating to limited liability partnerships or members of limited liability partnerships is passed or made, and
  - (b) in consequence, the Treasury consider it appropriate for provision to be made for the purpose of assimilating to any extent the law relating to income tax and the law relating to contributions under this Part,the Treasury may by regulations make that provision.
- (4) The provision that may be made under subsection (3) includes provision modifying any provision made by or under this Act.
- (5) Regulations under this section are to be made with the concurrence of the Secretary of State.
- (6) Section 4(4) of the Limited Liability Partnerships Act 2000 does not limit the provision that may be made by regulations under this section.”
- (3) In section 4B (power to make retrospective provision in consequence of retrospective tax legislation), in subsection (3), after paragraph (c) insert—
  - “(d) section 4AA (power to make provision in relation to limited liability partnerships)”.
- (4) In section 10 (Class 1A contributions: benefits in kind etc), at the end, insert—
  - “(11) The Treasury may by regulations modify the law relating to Class 1A contributions in the case of an employed earner’s employment which is treated as existing by virtue of regulations under section 4AA.”
- (5) SSCB(NI)A 1992 is amended as follows.
- (6) After section 4A insert—

**“4AA Limited liability partnerships**

- (1) The Treasury may, for the purposes of this Act, by regulations—
  - (a) provide that, in prescribed circumstances—
    - (i) a person (“E”) is to be treated as employed in employed earner’s employment by a limited liability partnership (including where E is a member of the partnership), and
    - (ii) the limited liability partnership is to be treated as the secondary contributor in relation to any payment of earnings to or for the benefit of E as the employed earner;
  - (b) prescribe how earnings in respect of E’s employed earner employment with the limited liability partnership are to be determined (including what constitutes such earnings);
  - (c) provide that such earnings are to be treated as being paid to or for the benefit of E at prescribed times.
- (2) Regulations under subsection (1) may modify the definition of “employee” or “employer” in section 159, 167, 167ZJ or 167ZS below as the Treasury consider appropriate to take account of any provision falling within subsection (1)(a) to (c).
- (3) If—

- (a) a provision of the Income Tax Acts relating to limited liability partnerships or members of limited liability partnerships is passed or made, and
  - (b) in consequence, the Treasury consider it appropriate for provision to be made for the purpose of assimilating to any extent the law relating to income tax and the law relating to contributions under this Part,the Treasury may by regulations make that provision.
- (4) The provision that may be made under subsection (3) includes provision modifying any provision made by or under this Act.
- (5) Regulations under this section are to be made with the concurrence of the Department.
- (6) Section 4(4) of the Limited Liability Partnerships Act 2000 does not limit the provision that may be made by regulations under this section.”
- (7) In section 4B (power to make retrospective provision in consequence of retrospective tax legislation), in subsection (3), after paragraph (c) insert—
  - “(d) section 4AA (power to make provision in relation to limited liability partnerships)”.
- (8) In section 10 (Class 1A contributions: benefits in kind etc), at the end, insert—
  - “(11) The Treasury may by regulations modify the law relating to Class 1A contributions in the case of an employed earner’s employment which is treated as existing by virtue of regulations under section 4AA.”