
 STATUTORY INSTRUMENTS

1982 No. 66

INCOME TAX

The Income Tax (Employments) (No. 13) Regulations 1982

Made - - - - - 25th January 1982

*Laid before the
House of Commons* - 26th January 1982

Coming into operation in accordance with Regulation 1

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by section 204 of the Income and Corporation Taxes Act 1970(a), hereby make the following Regulations:—

PART I

Citation and commencement

1.—(1) These Regulations may be cited as the Income Tax (Employments) (No. 13) Regulations 1982.

(2) (a) Part I of these Regulations shall come into operation on 1st March 1982.

(b) Part II of these Regulations shall come into operation on 6th April 1982.

(c) Part III of these Regulations shall come into operation on 5th July 1982 except that, for the purposes of Part II of these Regulations, Regulation 14, insofar as it inserts paragraph (1) of Regulation 53 into the Principal Regulations, shall come into operation on 6th April 1982.

Interpretation

2. In these Regulations “the Principal Regulations” means the Income Tax (Employments) Regulations 1973(b).

Delivery of leaving certificate

3. From 1st March 1982 until 5th July 1982 an officer of the Department of Employment or, in Northern Ireland, the Department of Health and Social Services may require a person who is not an employed earner as defined in the Principal Regulations and who has made a claim to unemployment benefit in accordance with the Social Security Act 1975(c) or the Social Security (Northern Ireland) Act 1975(d) to deliver to him the 2 copies of any certificate delivered to that person by his previous employer in accordance with paragraph (2) of Regulation 18 of the Principal Regulations.

(a) 1970 c. 10; section 204 was extended by section 29 of the Finance Act 1981 (c. 35).

(b) S.I. 1973/334; relevant amending instruments are S.I. 1976/381, 1981/44.

(c) 1975 c. 14.

(d) 1975 c. 15.

PART II

AMENDMENTS TO THE PRINCIPAL REGULATIONS

4. In Regulation 2(1) of the Principal Regulations after the definition of “allowable superannuation contributions” there shall be inserted:—

“ “benefit officer” means in Great Britain the appropriate officer of the Department of Employment or the Department of Health and Social Security, as the case may be, and in Northern Ireland the appropriate officer of the Department of Health and Social Services;”.

5. In Regulation 13 of the Principal Regulations—

(1) In paragraph (3) after the words “the employer shall” there shall be inserted:—

“, subject to the provisions of paragraph (3) of Regulation 24,”;

(2) In sub-paragraph (f) of paragraph (6) the word “and” shall be omitted;

(3) At the end of sub-paragraph (g) of paragraph (6) there shall be added:—

“; and

(h) the amount of tax, if any, repayment of which is precluded by paragraph (3) of Regulation 24.”

6. In Regulation 20 of the Principal Regulations there shall be inserted in sub-paragraph (a) of paragraph (3) after the words “a period of full-time education”:—

“and has not made a claim as defined in paragraph (1) of Regulation 53”.

7. In Regulation 24 of the Principal Regulations—

(1) In paragraph (1) after the words “on the usual pay day” there shall be inserted:—

“and Regulation 17 would not apply to a payment made on that day”.

(2) At the end of paragraph (1) there shall be added:—

“, and the employer shall record the particulars specified in paragraph (6) of Regulation 13 as if the occasion were one on which emoluments had been paid.”

(3) For paragraphs (2) and (3) there shall be substituted:—

“(2) If, owing to absence from work otherwise than aforesaid, the employee is entitled to receive no emoluments on the usual pay day, the employer shall, subject to the provisions of paragraph (3) of this Regulation, proceed in accordance with paragraph (1) of this Regulation as if the absence was due to sickness or other similar cause.

(3) If the employee is absent from work in consequence of a trade dispute at his place of employment within the meaning of section 19 of the Social Security Act 1975 or section 19 of the Social Security (Northern Ireland) Act 1975 then, subject to paragraph (6) of this Regulation, unless he is not participating or directly interested in that dispute the employer shall calculate the amount of tax to be deducted or repaid on the occasion of any payment of emoluments or, if no emoluments are paid on the usual pay day, shall calculate in accordance with paragraph (1) of this Regulation the amount of tax (if any) due to be repaid on that day, provided that he shall—

- (a) make no repayment of tax calculated as due to be repaid under this paragraph and not yet set off in accordance with sub-paragraph (b) of this paragraph until either—
- (i) the employee is no longer so absent, or
 - (ii) the employer ceases to employ the employee, or
 - (iii) the employee has become *bona fide* employed elsewhere in the occupation which he usually follows or has become regularly engaged in some other occupation, or
 - (iv) the employee dies; but—
- (b) deduct any tax due to be so deducted except that the deduction shall be reduced by any repayment for the year calculated in accordance with this paragraph and not yet paid or set off in accordance with this sub-paragraph.
- (4) Where the absence of an employee such as is referred to in paragraph (3) of this Regulation extends beyond the end of the year the employer shall—
- (a) give notice to the employee of the amount of any repayment of tax calculated in accordance with paragraph (3) of this Regulation which has not been set off against any tax due to be deducted under sub-paragraph (b) of that paragraph; and
 - (b) complete the certificate which is to be given under Regulation 25 and the return which is to be rendered under Regulation 30 as if the said tax had been repaid to the employee.
- (5) If the employer has not made any repayment of tax withheld under paragraph (3) of this Regulation within 42 days after the relevant event specified in sub-paragraph (a) of that paragraph he shall not thereafter repay that tax to the employee but shall proceed in accordance with paragraph (7) of Regulation 26.
- (6) An employee from whom a repayment of tax has been withheld in accordance with paragraph (3) of this Regulation may request a benefit officer to certify that a determining authority under the Social Security Act 1975 or the Social Security (Northern Ireland) Act 1975 has decided for the purposes of a claim to benefit that the employee has proved that he is not participating or directly interested in a trade dispute, and if the benefit officer so certifies the employer shall make such repayment as may be appropriate.
- (7) In the case of a person who has ceased to be employed and who has not made or has ceased to make a claim as defined in paragraph (1) of Regulation 53, any repayment which may be appropriate at any date, having regard to his cumulative emoluments at that date, the corresponding cumulative tax, and any other emoluments paid to the employee for the year but not included in the cumulative emoluments, shall be made to him by the Inspector; and a person who has ceased to be employed shall on applying for a repayment produce to the Inspector the 2 copies of the certificate delivered in accordance with paragraph (2) of Regulation 18 or paragraph (3) of Regulation 60 and a certificate that he was not a claimant within the meaning of paragraph (1) of Regulation 53 for the relevant period, together with such evidence of his unemployment as the Inspector may require.”
- 8.** In Regulation 25(2) of the Principal Regulations after the words “Commissioners of Inland Revenue and” there shall be inserted:—
- “, subject to the provisions of paragraph (4) of Regulation 24.”.

9.—(1) In paragraph (1) of Regulation 26 of the Principal Regulations for the words from the beginning of the paragraph to “repay during that income tax month” there shall be substituted:—

“(1) Within 14 days of the end of every income tax month the employer shall pay to the Collector—

(a) all amounts of tax which he was liable under these Regulations to deduct from emoluments paid by him in that month, and

(b) all amounts of tax by which deductions in that month were reduced in accordance with sub-paragraph (b) of paragraph (3) of Regulation 24, being amounts in respect of which a reduction was claimed in an earlier month in accordance with sub-paragraph (c) of this paragraph,

reduced by—

(c) any amounts calculated as due to be repaid in that month, repayment of which was precluded during that month by paragraph (3) of Regulation 24, and

(d) any amounts which he was liable to repay in that month (excepting any amounts for which a reduction was claimed in any previous month, or which are being recovered from the Commissioners of Inland Revenue under paragraph (6) of this Regulation);”.

(2) At the end of paragraph (6) of the said Regulation 26 there shall be added:—

“, provided that the excess shall not include any amount for which a reduction was made in a payment under paragraph (1) of this Regulation in a previous month, or any amount which is otherwise being recovered from the Commissioners of Inland Revenue.

(7) If the employer has not made any repayment of tax withheld under paragraph (3) of Regulation 24 within 42 days after the relevant event specified in sub-paragraph (a) of that paragraph he shall forthwith pay to the Collector the tax not repaid and the provisions of paragraph (2) of this Regulation shall apply to the amount paid.”

10. In paragraph (1) of Regulation 27 of the Principal Regulations—

(1) After the words “any payment of emoluments or” there shall be inserted:—

“for whom he was required to calculate any”.

(2) For sub-paragraph (c) there shall be substituted:—

“(c) any other matter affecting the calculation of the tax which the employer was liable under these Regulations either to deduct or to repay to the employee or to pay the Collector during that period.”

11. In Regulation 30 of the Principal Regulations—

(1) In paragraph (1) after the words “appropriate code, and” there shall be inserted:—

“, subject to the provisions of paragraph (4) of Regulation 24,”.

(2) After paragraph (6) there shall be inserted:—

“(7) If the employer has not made any repayment of tax withheld under paragraph (3) of Regulation 24 within 42 days after the relevant event specified in sub-paragraph (a) of that paragraph and a return has been made under this Regulation in accordance with sub-paragraph (b) of paragraph (4) of Regulation 24 he shall forthwith render an additional return in accordance with this Regulation except that—

- (a) the return for each employee shall show only such particulars as the Commissioners of Inland Revenue may require for the identification of the employee, the year to which the return relates and the total tax not repaid; and
- (b) instead of the statement, declaration and certificate required by paragraph (2) of this Regulation the said return shall be accompanied by a statement containing a list of the names of all employees for whom a return is made and in respect of each the amount of tax not repaid, and showing a total of the tax not repaid by the employer for that year."

12.—(1) In paragraph (2) of Regulation 34 of the Principal Regulations, for the proviso there shall be substituted:—

“Provided that—

- (a) the employer after the change shall not be liable for the payment of any tax which was deductible from emoluments paid to the employee before the change took place; and
- (b) if a trade dispute such as is referred to in paragraph (3) of Regulation 24 began, but did not end, before the change took place—
 - (i) paragraph (5) of Regulation 24, paragraph (7) of Regulation 26 and paragraph (7) of Regulation 30 shall apply to the employer before the change as though the time limit of 42 days in that paragraph had expired when the change took place;
 - (ii) the employer after the change shall be liable to make repayment of any tax withheld by the employer before the change in accordance with paragraph (3) of Regulation 24 in the year in which the change took place and paragraph (6) of Regulation 26 shall apply in such a case.”

(2) At the end of paragraph (2) of Regulation 34 of the Principal Regulations there shall be inserted:—

“(3) The employer before the change shall furnish the employer after the change with such particulars as may be necessary to enable the employer after the change to comply with the provisions of this Regulation.”

PART III

AMENDMENTS AND ADDITIONS TO THE PRINCIPAL REGULATIONS

13. In Regulation 18 of the Principal Regulations there shall be added at the end of paragraph (2):—

“, provided that if he fails to do so and is so required under paragraph (8) of Regulation 55 he shall deliver the 2 copies of the certificate to the specified office and not to the employee.”

14. After Regulation 52 of the Principal Regulations there shall be inserted:—

"PART VIII

SOCIAL SECURITY AND SUPPLEMENTARY BENEFITS
PAID TO WHOLLY UNEMPLOYED PERSONS*Interpretation of Part VIII*

53.—(1) In this Part of these Regulations, except where the context otherwise requires,—

“benefit” means a payment in accordance with the Social Security Act 1975(a), the Social Security (Northern Ireland) Act 1975(b), the Supplementary Benefits Act 1976(c), or the Supplementary Benefit (Northern Ireland) Order 1977(d) which includes taxable benefit;

“claim” means a claim to a benefit;

“claimant” means a person who has made a claim and who is not an employed claimant;

“employed claimant” means an employed earner who has made a claim;

“the Department” means the Department of Employment whether or not a particular payment including taxable benefit was actually made by that Department, save that in relation to Northern Ireland it means the Department of Health and Social Services;

“taxable benefit” means such income as became chargeable under section 219 of the Income and Corporation Taxes Act 1970(e) by virtue of section 27 of the Finance Act 1981(f), or was charged to tax under Schedule E by the said section 27; and

“working sheet” means any form of record on or in which are to be kept the matters required by this Part of these Regulations.

(2) Parts II to VI of these Regulations shall apply to payments of taxable benefit only to the extent and with the modifications set out in this part of these Regulations.

(3) Insofar as any provisions of Parts II to VI of these Regulations are so applied to this Part of these Regulations “emoluments” shall be interpreted as “taxable benefit”, “employee” shall be interpreted as “claimant”, “employer” shall be interpreted as “the Department”, and related expressions shall be construed accordingly, except where the context otherwise requires.

(4) Where a payment of taxable benefit is made by the Department of Health and Social Security that Department shall make arrangements to enable the Department to comply with these Regulations.

Determination of Appropriate Code

54. The Inspector may determine an appropriate code for any claimant in accordance with Regulation 7 and if he does so the provisions of Regulations 6, 9, 10, 11 and 12 shall apply to that determination, provided that for the purposes of this part of the Regulations any reference to the deduction or repayment of tax on making any payment shall be taken to refer to the duties imposed upon the Department by Regulation 59 and Regulation 60.

Commencement of Claim

55.—(1) On making a claim following a period of employment to which Part III of these Regulations applied, the claimant shall deliver to the Department

(a) 1975 c. 14.

(b) 1975 c. 15.

(c) 1976 c. 71.

(d) S.I. 1977/2156 (N.I. 27). (e) 1970 c. 10.

(f) 1981 c. 35.

the 2 copies of the certificate delivered to him in accordance with paragraph (2) of Regulation 18.

(2) On making a claim after a previous claim to which the provisions of Regulation 60 applied the claimant shall deliver to the Department the 2 copies of the certificate delivered to him under sub-paragraph (c) of paragraph (3) of that Regulation.

(3) The Department shall forthwith—

(a) prepare a working sheet in such form as the Commissioners of Inland Revenue may prescribe and record thereon the particulars given on the certificate, the 2 copies of which were delivered by the claimant; and

(b) supply to the Inspector, in such form as the Commissioners of Inland Revenue may prescribe, the said particulars together with such further information as may be required for the purposes of these Regulations.

(4) If the details on the certificate, the 2 copies of which were delivered by the claimant, are such that if a calculation were made in accordance with those figures under Regulation 63 on the day of claim a repayment of tax exceeding £50 would arise then the Department shall so inform the Inspector in accordance with sub-paragraph (b) of paragraph (3) of this Regulation.

(5) If the claimant delivers the certificate referred to in paragraph (2) of Regulation 47 the Department shall send the certificate to the Inspector.

(6) If the claim is made within the first three weeks of the year and a certificate, the 2 copies of which were delivered in accordance with this Regulation, shows that the last payment of emoluments or taxable benefit was in the preceding year the Department shall comply with the provisions of paragraph (3) of this Regulation, but without recording the cumulative emoluments or cumulative tax (if any) shown on the certificate.

(7) If on the making of a claim no copies of a certificate have been delivered in accordance with paragraph (1) or paragraph (2) of this Regulation, or, subject to paragraph (6) of this Regulation, the 2 copies of a certificate so delivered show that the last payment of emoluments was in a year preceding that in which the claim was made, the Department shall, for the purposes of paragraph (3) of this Regulation, record the code prescribed by the Commissioners of Inland Revenue as the appropriate code.

(8) If on making a claim, a claimant to whom paragraph (1) of this Regulation applies declares that his last employer has not delivered to him 2 copies of the certificate referred to in the said paragraph the Department may require the said employer to deliver the said 2 copies to a specified office of the Department.

(9) If a claimant has not delivered 2 copies of a certificate in accordance with either paragraph (1) or paragraph (2) of this Regulation and the 2 copies of the certificate have not been obtained under paragraph (8) within the period prescribed by the Commissioners of Inland Revenue, the Department shall render a return to the Inspector, giving the name and address of the claimant, the date of claim and such other particulars as may be necessary to enable the Inspector to determine the appropriate code in accordance with Regulation 7; provided that if the claimant certifies, in a form prescribed by the Commissioners of Inland Revenue, that either—

(a) he is undergoing a course of full-time education and has not had regular employment since 6th April, or

(b) he has not had regular employment since the end of his full-time education,
the said return shall not be rendered.

Determination of amount of taxable benefit

56. On each occasion that a payment of benefit is made to a claimant to whom Regulation 58 does not apply, the Department shall determine and record the taxable benefit included in that payment.

Recording of information notified by the Inspector

57. Any notification of code or amended code, or of cumulative emoluments and cumulative tax received by the Department from the Inspector shall be recorded in substitution for any previous record and shall be used for the purpose of all calculations required under this part of these Regulations.

Quarterly attenders

58.—(1) If the Department decides that a claimant may make quarterly declarations in respect of his claim and the claimant has not had regular employment for at least 12 months, these Regulations shall not apply as regards any subsequent payment of benefit or event relating to the claim in question.

(2) If the Department decides that a claimant may make quarterly declarations in respect of his claim on the ground that he is in receipt of a pension in respect of a former employment such that no benefit is payable, the Department shall so notify the Inspector.

End of year

59.—(1) After the end of the year the Department shall, in respect of each claimant whose latest claim was not treated as terminated under Regulation 60 during the year—

- (a) make a tax calculation in accordance with Regulation 63;
- (b) issue to the claimant a certificate in accordance with paragraph (3) of this Regulation; and
- (c) render a return to the Inspector in accordance with paragraph (4) of this Regulation:

Provided that if no taxable benefit has been paid and a tax calculation in accordance with Regulation 63 is not required, the Department shall not be required to issue the said certificate.

(2) If a payment of benefit in respect of any year is made after the certificate for that year required by paragraph (1) of this Regulation has been rendered or would have been rendered but for the proviso in the said paragraph (1) the Department shall proceed under Regulation 62 as if further taxable benefit had been paid.

(3) The certificate required by paragraph (1) of this Regulation shall be in such form as the Commissioners of Inland Revenue may prescribe and shall show as appropriate—

- (a) the year to which it relates;
- (b) the total benefit for the year excluding any amounts previously notified under Regulation 60 or Regulation 62;
- (c) the taxable benefit included in such total benefit;
- (d) the code appropriate to the claimant;

- (e) any previous emoluments and any tax deducted from those emoluments which the Department was required to take into account under Regulation 63;
 - (f) the total emoluments for the year and the corresponding cumulative tax; and
 - (g) the amount of tax refunded by the Department.
- (4) The return required by paragraph (1) of this Regulation shall be in such form as the Commissioners of Inland Revenue may prescribe, and shall show as appropriate—
- (a) such particulars as may be required for the identification of the claimant;
 - (b) the particulars specified in paragraph (3) of this Regulation;
 - (c) the amount of any refund withheld under paragraph (4) of Regulation 55 which the Inspector has not authorised to be repaid, and
 - (d) the excess (if any) of the total tax due arising from the calculation under Regulation 63 over tax previously deducted in the year.

Termination of claim

60.—(1) For the purposes of these Regulations a claim is to be treated as terminated if the claimant gives notice of termination or fails to make a further claim or a declaration in respect of the claim.

(2) When a claim is treated as terminated, the relevant date for the purpose of any tax calculation which the Department is required to make shall be the last day for which benefit was claimed, and if paid was not recoverable, except that if the said last day is 4th or 5th April the relevant date shall be the preceding 3rd April, and provided that the Department shall not be required to amend a tax calculation solely because the date originally treated as the relevant date is subsequently shown to be incorrect.

- (3) When a claim is treated as terminated, the Department shall—
- (a) make a calculation in accordance with Regulation 63;
 - (b) forthwith deliver to the Inspector a certificate in such form as the Commissioners of Inland Revenue may prescribe containing the following particulars—
 - (i) such particulars as may be required for the identification of the claimant;
 - (ii) the last day in accordance with paragraph (2) of this Regulation;
 - (iii) the code appropriate to the claimant;
 - (iv) the cumulative emoluments (including taxable benefit) at the date of termination and the corresponding cumulative tax or, if paragraph (2) of Regulation 63 applies, the taxable benefit;
 - (v) the amount of any tax shown by the calculation to be payable in addition to that already paid;
 - (vi) the amount of any refund withheld under paragraph (4) of Regulation 55 which the Inspector has not authorised to be repaid; and
 - (vii) the date of issue of the certificate;
 - (c) make on the prescribed form 2 copies of the said certificate and deliver them to the claimant on the same date as that on which the said certificate is delivered to the Inspector; and
 - (d) notify the claimant by notice in writing of—

- (i) the total benefit for the year excluding any sums previously notified under this Regulation or Regulation 62; and
- (ii) the taxable benefit included in that total benefit.

Death of claimant

61.—(1) On the death of a claimant the Department shall, where the name and address of the claimant's personal representative is known, comply with Regulation 60 except that the 2 copies of the certificate referred to in sub-paragraph (c) of paragraph (3) of that Regulation shall be sent to the Inspector together with the certificate under sub-paragraph (b) and the statement required by paragraph (d) of the said paragraph (3) shall be sent to the said personal representative.

(2) If, within 30 days of a claimant's death the Department has not been notified of the name and address of the claimant's personal representative, the Inspector shall be deemed to have made a direction under Regulation 17 and the Department shall then proceed as in paragraph (1) of this Regulation except that the notice under sub-paragraph (d) of paragraph (3) of Regulation 60 shall not be sent.

Notification of taxable benefit adjustment

62. If after the issue of a certificate under paragraph (1) of Regulation 59 or of a notice under sub-paragraph (d) of paragraph (3) of Regulation 60 or under this Regulation further taxable benefit is paid or taxable benefit overpaid is refunded by the claimant, the Department shall—

- (a) notify the claimant by notice in writing of the revised figure of total benefit and the taxable benefit included therein in accordance with the relevant Regulation; and
- (b) notify the Inspector of the sums paid or refunded in such form as the Commissioners of Inland Revenue may prescribe.

Tax calculation

63.—(1) Subject to the provisions of paragraph (2) of this Regulation, whenever the Department is required by these Regulations to make a tax calculation, the Department shall—

- (a) ascertain the cumulative emoluments including taxable benefit, the cumulative free emoluments, the cumulative taxable emoluments and the corresponding cumulative tax for the year up to the relevant date, which is, where a calculation is required by Regulation 59, the end of the year and, where a calculation is required by Regulation 60, the date specified in paragraph (2) of that Regulation; and
- (b) if the previous cumulative tax recorded on the working sheet exceeds the cumulative tax so calculated, repay the excess to the claimant, save that any sum notified to the Inspector under paragraph (4) of Regulation 55 and not authorised by him shall not be repaid; but
- (c) if the said cumulative tax exceeds the previous cumulative tax, amend the record of the code as if a direction had been received from the Inspector under Regulation 17 on the relevant date.

(2) No tax calculation shall be made if the Inspector has made a direction that the provisions of Regulation 17 shall apply to the claimant for the relevant year, and, subject to the provisions of Regulation 57, the Inspector shall be deemed to have issued such a direction if—

- (a) the provisions of paragraph (7) of Regulation 55 have been applied and the certificate referred to in the proviso to paragraph (9) of that Regulation has not been given, or
- (b) the 2 copies of the certificate delivered under paragraph (1) or paragraph (2) of Regulation 55 do not relate to the claimant's last employment or claim before the present claim, whichever is later, or
- (c) the claimant is in receipt of a pension from a former employer, or
- (d) it appears to the Department on the occasion of a claim that a previous claim should have been treated as terminated in accordance with Regulation 60, or
- (e) the code is one issued under Regulation 8.

Finance

64.—(1) The Commissioners of Inland Revenue shall advance monies to the National Insurance Funds of Great Britain and Northern Ireland at intervals to be agreed with the Department of Health and Social Security and the Department of Health and Social Services respectively for use in making repayments of income tax under these Regulations.

(2) The said Departments shall provide the Commissioners of Inland Revenue with a quarterly statement of receipts and payments in such form as the said Commissioners may require.

PART IX

SOCIAL SECURITY AND SUPPLEMENTARY BENEFITS
PAID TO EMPLOYED PERSONS

Interpretation of Part IX

65. The provisions of paragraphs (1), (2) and (3) of Regulation 53 shall apply in relation to this Part of these Regulations as they do to Part VIII, except that for the purposes of this Part of these Regulations "the Department" means the Department by whom a payment of benefit is made.

Determination of taxable benefit

66.—(1) If benefit is paid directly by the Department to an employed claimant the Department shall determine and record the amount of taxable benefit.

(2) If benefit is paid to an employed claimant by his employer on behalf of the Department and the employer calculates the benefit payable by reference to instructions supplied by the Department, he shall also calculate the taxable benefit in accordance with those instructions.

(3) If benefit is paid to an employed claimant by his employer on behalf of the Department and the provisions of paragraph (2) of this Regulation do not apply, the Department shall notify to the employer the amount of benefit and of taxable benefit.

Benefit paid by the paying Department direct to the claimant

67.—(1) If the Department pays benefit to an employed claimant the full sum shall be paid without any deduction or repayment of income tax.

(2) A claim shall be treated as terminated if the employed claimant gives notice of termination or fails to make a further claim or a declaration in respect of the claim, and when a claim is treated as terminated the Department shall notify to the Inspector and the employed claimant the total benefit and taxable benefit paid in respect of the claim, showing the amounts appropriate to each year.

Benefit paid by the employer

68.—(1) If the employer has undertaken to pay benefit on behalf of the Department, the Department shall pay the full amount of benefit to the employer without any deduction on account of income tax.

(2) Parts II to VI of these Regulations shall apply to the taxable benefit so paid by the employer as if it were a payment of emoluments from the employment, provided that in any case in which it appears to the Commissioners of Inland Revenue that deduction of tax from the said taxable benefit by reference to the tax tables is impracticable they may make such other arrangements as are appropriate for the collection of tax in respect of taxable benefit in such cases.

Adjustments

69. If, after the payment of benefit by an employer or the Department, the Department recovers part or all of that payment from the employed claimant, the Department shall notify the Inspector and the employed claimant of the adjustment to the figure of taxable benefit, showing the amounts appropriate to each year.”

By Order of the Commissioners of Inland Revenue

25th January 1982.

A. H. Dalton,
Secretary.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations modify and supplement the Regulations relating to Income Tax under Pay As You Earn ("the Principal Regulations"). They provide for the withholding of income tax repayments in certain circumstances, and they make provision generally for the procedures for bringing into tax the social security benefits paid to the unemployed, to those temporarily laid off and to those involved in a trade dispute.

Part I of the Regulations, which comes into operation on 1 March 1982, makes provision for an officer of the Department of Employment (in Northern Ireland, the Department of Health and Social Services) to obtain from a person who is unemployed and claiming benefit the certificate which gives details of his income tax position at the end of his previous employment.

Part II of the Regulations, which comes into operation on 6 April 1982, amends the Principal Regulations (Regulation 24 of them in particular) in relation to income tax repayments accruing to the unemployed and to those involved in a trade dispute. It provides for the Inspector of Taxes to make any appropriate repayment during unemployment only to a person not claiming benefit or to a person who has stopped claiming it. In relation to a person participating or directly interested in a trade dispute, defined by reference to social security legislation governing entitlement to benefit, the Regulations provide that the employer shall withhold repayments of tax until the person returns to work (unless in the meantime he leaves the employment); however, where the employer makes a payment to the person during the course of the trade dispute, any accumulated repayment of tax due to him will be subtracted from any tax which is to be deducted from that payment. The Regulations provide for the necessary accounting procedures between the employer and the Collector of Taxes during a trade dispute; they also provide, where a trade dispute extends over the end of a tax year, for the employer to make the appropriate end-of-year notifications to his employee and to the Collector.

Part III of the Regulations, which comes into operation on 5 July 1982, supplements the Principal Regulations so as to provide generally for the procedures for charging to income tax the benefits paid to the unemployed, to those temporarily laid off and to those involved in a trade dispute. When an unemployed person claims benefit, the Department of Employment (in Northern Ireland, the Department of Health and Social Services) will maintain a record of his previous cumulative pay and tax in the tax year in question and of any taxable benefit then paid to him. At the end of the person's period of benefit claim (or at the end of the tax year if that is sooner) the Department will in the normal case calculate the claimant's tax position, will make any repayment of tax to him which arises and will notify the appropriate details to the claimant and to his Inspector of Taxes. As regards claimants who are temporarily laid off or involved in a trade dispute, the Department paying the benefit will similarly record the amount of taxable benefit paid and make the appropriate notifications at the end of the period of claim. In cases where the claimant's employer pays him benefit on behalf of the paying Department, the employer will where practicable apply to the taxable benefit the normal PAYE procedures set out in the Principal Regulations.

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