
STATUTORY INSTRUMENTS

1991 No. 1632

SOCIAL SECURITY

**The Social Security (Contributions)
Amendment (No.4) Regulations 1991**

<i>Made</i>	- - - -	<i>16th July 1991</i>
<i>Laid before Parliament</i>		<i>24th July 1991</i>
<i>Coming into force</i>	- -	<i>14th August 1991</i>

The Secretary of State for Social Security, with the concurrence of the Inland Revenue, in exercise of powers conferred by paragraph 5(1)(a) and (b) of Schedule 1, and Schedule 20, to the Social Security Act 1975(1) and of all other powers enabling him in that behalf, after agreement by the Social Security Advisory Committee that proposals to make these Regulations should not be referred to it(2), hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Contributions) Amendment (No.4) Regulations 1991, and shall come into force on 14th August 1991.

(2) In these Regulations “the principal Regulations” means the Social Security (Contributions) Regulations 1979(3).

Amendment of Schedule 1 to the principal Regulations

2.—(1) Schedule 1 to the principal Regulations (which, with extensions and modifications, are provisions of the Income Tax (Employments) Regulations 1973(4) as they apply to earnings-related contributions under the Social Security Act 1975) shall be amended in accordance with the following provisions of this regulation.

(2) In Regulation 2(1) in that Schedule (interpretation) after the definition of “income tax month” there shall be inserted the following definitions—

““income tax period” means income tax quarter where Regulation 26A has effect, but otherwise means income tax month;

(1) 1975 c. 14. Schedule 20 is cited because of the meaning ascribed to the word “Regulations”.
(2) See the Social Security Act 1986 (c. 50), section 61(1) and (10). The Social Security Act 1989 (c. 24), Schedule 8, paragraph 12(4) added a definition of “regulations” to section 61(10) of the Social Security Act 1986.
(3) S.I. 1979/591; relevant amending instruments are S.I. 1980/1975, 1981/82, 1983/395, 1984/77, 1985/396, 1987/413, 1990/536 and 605.
(4) S.I. 1973/334; the relevant amending instrument is S.I. 1991/1080.

“income tax quarter” means the period beginning on 6th April and ending on 5th July, or beginning on 6th July and ending on 5th October, or beginning on 6th October and ending on 5th January, or beginning on 6th January and ending on 5th April;”.

(3) For Regulation 26 in that Schedule (payment of earnings-related contributions by employer)(5)there shall be substituted the following Regulations–

“Payment of earnings-related contributions monthly by employer

26.—(1) Subject to Regulations 26A and 27A(8), the employer shall pay the amount specified in paragraph (2) of this Regulation to the Collector within 14 days of the end of every income tax month.

(2) The amount specified in this paragraph is the total amount of earnings-related contributions due in respect of emoluments paid by the employer in that income tax month, other than amounts deductible under Regulation 13(1A) which he did not deduct and amounts which he deducted under the Compensation of Employers Regulations:

Provided that, for the purposes of this paragraph, where two or more payments of emoluments fall to be aggregated, the employer shall be deemed to have deducted from the last of those payments the amount of any earnings-related contributions deductible from those payments which he did not deduct from the earlier payments.

Payment of earnings-related contributions quarterly by employer

26A.—(1) Subject to Regulation 27A(8), the employer shall pay the amount specified in paragraph (2) of this Regulation to the Collector within 14 days of the end of every income tax quarter where–

- (a) the employer has reasonable grounds for believing that the condition specified in paragraph (3) of this Regulation applies and chooses to pay the amount specified in paragraph (2) of this Regulation quarterly; or
- (b) in the case of an employee who receives a fixed salary or wage, the Inspector has authorised the employer to deduct income tax from each payment of emoluments which he makes to the employee by reference only to the amount of that payment, without regard to the cumulative emoluments and cumulative tax in respect of the employee.

(2) The amount specified in this paragraph is the total amount of earnings-related contributions due in respect of emoluments paid by the employer in that income tax quarter, other than amounts deductible under Regulation 13(1A) which he did not deduct and amounts which he deducted under the Compensation of Employers Regulations:

Provided that, for the purposes of this paragraph, where two or more payments of emoluments fall to be aggregated, the employer shall be deemed to have deducted from the last of those payments the amount of any earnings-related contributions deductible from those payments which he did not deduct from the earlier payments.

(3) The condition specified in this paragraph is that, for income tax months falling within the current year, the average monthly total amount to be paid to the Collector will be less than £400 in respect of any amounts to be paid under–

- (a) the Act and the Main Regulations;
- (b) the Income Tax Regulations; and

- (c) section 559 of the Income and Corporation Taxes Act 1988⁽⁶⁾ and the Income Tax (Sub-Contractors in the Construction Industry) Regulations 1975⁽⁷⁾.

Payment of earnings-related contributions by employer—further provisions

26B.—(1) The Collector shall give a receipt to the employer for the total amount paid under Regulation 26 or 26A if so requested; but if he gives a receipt for the total amount of earnings-related contributions and any tax paid at the same time, he need not give a separate receipt for earnings-related contributions.

(2) Subject to paragraph (3) of this Regulation, if the employer has paid to the Collector on account of earnings-related contributions under Regulation 26 or 26A an amount which he was not liable to pay, or which has been refunded in accordance with regulation 2 (refunds of contributions) of the Social Security (Refunds) (Repayment of Contractual Maternity Pay) Regulations 1990⁽⁸⁾, the amounts which he is liable to pay subsequently in respect of other payments of emoluments made by him during the same year shall be reduced by the amount overpaid, so however that if there was a corresponding overdeduction from any payment of emoluments to an employee, the provisions of this paragraph shall apply only in so far as the employer has reimbursed the employee for that overdeduction.

(3) Paragraph of this Regulation applies only where—

- (a) the over deduction occurred by reason of an error made by the employer in good faith; or
- (b) the overdeduction occurred as a result of the employment in respect of which the payment on account of earnings-related contributions is made being or, as the case may be, becoming contracted-out employment; or
- (c) a refund has been made under regulation 2 of the Social Security (Refunds) (Repayment of Contractual Maternity Pay) Regulations 1990.”.

(4) In Regulation 27 in that Schedule (employer failing to pay earnings-related contributions)⁽⁹⁾—

- (a) for the word “month” wherever it appears there shall be substituted the word “period”;
- (b) in paragraphs (1) and (3) after the words “Regulation 26” there shall be inserted the words “or 26A”;
- (c) in paragraph (1) for the words “that Regulation” there shall be substituted the words “those Regulations”;
- (d) in paragraph (2) for the word “months” wherever it appears there shall be substituted the word “periods”.

(5) In Regulation 27A in that Schedule (specified amount of earnings-related contributions payable by the employer)⁽¹⁰⁾—

- (a) for the word “month” wherever it appears there shall be substituted the word “period”;
- (b) after the words “Regulation 26” wherever they appear there shall be inserted the words “or 26A”;
- (c) in paragraph (5) for the word “months” wherever it appears there shall be substituted the word “periods”.

(6) In Regulation 28 in that Schedule (recovery of earnings-related contributions)⁽¹¹⁾—

⁽⁶⁾ 1988 c. 1.

⁽⁷⁾ S.I. 1975/1960; the relevant amending instrument is S.I. 1991/1081.

⁽⁸⁾ S.I. 1990/536.

⁽⁹⁾ Regulation 27 was substituted by S.I. 1990/605.

⁽¹⁰⁾ Regulation 27A was inserted by S.I. 1985/396 and amended by S.I. 1990/605.

⁽¹¹⁾ Regulation 28 was amended by S.I. 1985/396.

- (a) for the word “month” wherever it appears there shall be substituted the word “period”;
- (b) in paragraph (1) after the words “Regulation 26” there shall be inserted the words “or 26A”.
- (7) In Regulation 32 in that Schedule (inspection of employer’s records)(12)for the word “months” wherever it appears there shall be substituted the word “periods”.

Signed by authority of the Secretary of State for Social Security.

10th July 1991

Henley
Parliamentary Under-Secretary of State,
Department of Social Security

The Commissioners of Inland Revenue hereby concur

16th July 1991

A.J.G. Isaac
T.J. Painter
Two of the Commissioners of Inland Revenue

(12) Regulation 32 was amended by S.I. [1981/82](#), [1983/395](#), [1984/77](#) and [1987/413](#).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Social Security (Contributions) Regulations 1979 (“the principal Regulations”) to allow employers to pay earnings-related contributions to the Inland Revenue quarterly in certain circumstances, instead of monthly. The circumstances are where the employer has reasonable grounds for believing that, in the current income tax year, his average monthly payment to the Collector of Taxes will be less than £400 in the total amount in respect of–

- (a) earnings-related contributions,
- (b) income tax deducted under the Income Tax (Employments) Regulations 1973 (“the Income Tax Regulations”, providing for the “PAYE” scheme), and
- (c) any deduction imposed by section 559 of the Income and Corporation Taxes Act 1988 on payments to sub-contractors in the construction industry.

These Regulations make amendments to Schedule 1 to the principal Regulations, which applies certain provisions of the Income Tax Regulations to earnings-related contributions under the Social Security Act 1975. The amendments made by these Regulations are consequential on amendments made to the Income Tax Regulations by the Income Tax (Employments) (No.21) Regulations 1991 (S.I.1991/1080).

Regulation 2(2) of these Regulations inserts definitions of “income tax period” and “income tax quarter” in Regulation 2(1) in Schedule 1 to the principal Regulations.

Regulation 2(3) of these Regulations substitutes new Regulations 26, 26A and 26B for the former Regulation 26 in Schedule 1. The new Regulation 26 contains the basic rule, as provided by the former Regulation 26(1), that an employer shall pay earnings-related contributions to the Collector monthly. Regulation 26A contains the new provision allowing an employer to pay those contributions quarterly in the circumstances described above. Regulation 26A(1)(b) contains a specific provision for quarterly payment as provided by the former Regulation 26(1)(b). Regulation 26B contains further provisions applying to the payment of earnings-related contributions, whether paid monthly or quarterly, as provided by the former Regulation 26(2) and (3).

Regulation 2(4) to (7) of these Regulations makes consequential amendments to Regulations 27, 27A, 28 and 32 in Schedule 1, to extend the application of those provisions to employers paying quarterly.