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STATUTORY INSTRUMENTS

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**1991 No. 640**

**SOCIAL SECURITY**

**The Social Security (Contributions)  
Amendment (No. 3) Regulations 1991**

<i>Made</i>	- - - -	<i>11th March 1991</i>
<i>Laid before Parliament</i>		<i>15th March 1991</i>
<i>Coming into force</i>	- -	<i>6th April 1991</i>

The Secretary of State for Social Security, with the concurrence of the Inland Revenue, in so far as their concurrence is required, in exercise of powers conferred by section 3(2) and (3) of and paragraph 5(1) 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. 3) Regulations 1991, and shall come into force on 6th April 1991.

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

**Amendment of regulation 19B of the principal Regulations**

2. In regulation 19B of the principal Regulations (payments to directors which are to be disregarded)(4)—

- (a) in paragraph (5)(a), there shall be inserted before the words “in paragraphs (2), (3), (4) and (5)(b)” the words ““company” is deemed to include a building society within the meaning of the Building Societies Act 1986(5) and” and

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(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)(b) 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.

(4) Regulation 19B was inserted by S.I. 1987/2111.

(5) 1986 c. 53; see sections 5 and 119(1).

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*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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- (b) in paragraph (5)(b)(i), for the words “section 534 of the Income and Corporation Taxes Act 1970”(6) there shall be substituted the words “section 840 of the Income and Corporation Taxes Act 1988”(7).

### **Amendment of Schedule 1 to the principal Regulations**

**3.—**(1) Schedule 1 to the principal Regulations (which, with extensions and modifications, are provisions of the Income Tax (Employments) Regulations 1973(8) 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 13(6)(b)(vi)(9) in that Schedule (calculation of deduction) the words “(other than earnings in respect of which primary Class 1 contributions are payable at the reduced rate)” shall be omitted.

(3) In Regulation 25(a)(ii)(10) in that Schedule (certificate of contributions paid) the words “(other than earnings in respect of which primary Class 1 contributions were payable at the reduced rate)” shall be omitted.

(4) In Regulation 30A(2)(g)(11) in that Schedule (special return by employer at end of voyage period) the words “(other than earnings in respect of which primary Class 1 contributions were payable at the reduced rate)” shall be omitted.

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

7th March 1991

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

The Commissioners of Inland Revenue hereby concur

11th March 1991

*T. J. Painter*  
*L. J. H. Beighton*  
Two of the Commissioners of Inland Revenue

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(6) 1979 c. 10.

(7) 1988 c. 1.

(8) S.I. 1973/334.

(9) Sub-paragraph (b)(vi) was inserted by S.I. 1987/413.

(10) Regulation 25 was inserted by S.I. 1984/77 and sub-paragraph (a)(ii) was substituted by S.I. 1987/413.

(11) Regulation 30A was inserted by S.I. 1982/206 and sub-paragraph (2)(g) was inserted by S.I. 1987/413.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations further amend the Social Security (Contributions) Regulations 1979 (“the principal Regulations”).

Regulation 2 amends paragraph (5) of regulation 19B of the principal Regulations so that sub-paragraph (a) extends the definition of company for the purpose of regulation 19B to include building societies and substitutes a reference to section 840 of the Income and Corporation Taxes Act 1988 in sub-paragraph (b) for one to section 534 of the 1970 Act.

Regulation 3 amends Schedule 1 to the principal Regulations (which applies certain income tax provisions to earnings-related contributions under the Social Security Act 1975 and includes provisions for returns related to earnings-related contributions to be made in a similar manner to tax returns) to extend an employer’s obligation to record earnings in respect of which primary Class 1 contributions were payable on work sheets, certificates of tax deducted and end of voyage period returns to earnings in respect of which such contributions are payable at the reduced rate.