
STATUTORY INSTRUMENTS

1999 No. 561

**The Social Security (Contributions)
Amendment Regulations 1999**

Amendment of regulation 18 of the principal Regulations

3.—(1) Regulation 18 of the principal Regulations (calculation of earnings) shall be amended in accordance with the following provisions of this regulation.

(2) In paragraph (8)(1) after sub-paragraph (b), insert—

“(c) any non-cash voucher not falling within Schedule 1C to these Regulations and which falls within paragraph 9B of Schedule 1A to these Regulations (assets not to be disregarded as payments under regulation 19(1)(d))(2) which is not capable of being exchanged for a readily convertible asset(3),”.

(3) In paragraph (9)(4) for sub-paragraphs (a) and (b), substitute—

“(a) any payment by way of the conferment of a beneficial interest in any asset falling within Schedule 1A to these Regulations which is a readily convertible asset;

(b) any payment by way of any—

(i) voucher falling within paragraph 9B of that Schedule (any voucher capable of being exchanged for an asset falling within paragraphs 1 to 9ZB thereof) where the asset for which it is capable of being exchanged is a readily convertible asset;

(ii) non-cash voucher not falling within Schedule 1C to these Regulations (whether or not also falling within paragraph 9B of Schedule 1A to these Regulations) which is capable of being exchanged for a readily convertible asset.”.

(4) In paragraph (10)(5)—

(a) in sub-paragraph (a) for “(9)(a)(i)”, substitute “(9)(a)”;

(b) in sub-paragraph (c) for “(9)(a)(ii)”, substitute “(9)(b)”.

(5) After paragraph (21)(6), add—

“(22) The amount of earnings which is comprised in any payment by way of a non-cash voucher not falling within Schedule 1C to these Regulations or paragraph (8) or (9) of this regulation and which falls to be taken into account in the computation of a person’s earnings (“the employed earner”) shall, for the purposes of earnings-related contributions, be calculated or estimated on the basis of an amount equal to the expense incurred (“the chargeable expense”)—

(1) Paragraph (8) was substituted by regulation 5(3) of S.I. 1998/2211.

(2) Schedule 1A was inserted by regulation 5 of S.I. 1991/2505 and amended by S.I. 1993/2935, 1994/2194, 1995/1003, 1996/3031 and 1998/2211. Paragraph 9B of that Schedule was inserted by regulation 3(b) of S.I. 1993/2925. Regulation 19(1)(d) was amended by regulation 3(2) of S.I. 1991/2505.

(3) The definition of “readily convertible asset” was inserted by regulation 2(1) of S.I. 1998/2211.

(4) Paragraph (9) was substituted by regulation 5(4) of S.I. 1998/2211 and amended by regulation 2(c) of S.I. 1998/2894.

(5) Paragraph (10) was substituted by regulation 5(4) of S.I. 1998/2211.

(6) Paragraph (21) was added by regulation 8 of S.I. 1999/568.

(a) by the person at whose cost the voucher and the money, goods or services for which it is capable of being exchanged are provided;

(b) in, or in connection with, that provision,

and any money, goods or services obtained by the employed earner or any other person in exchange for the voucher shall be disregarded.

(23) For the purposes of paragraph (22) of this regulation—

- (a) the chargeable expense shall be reduced by any part of that expense made good to the person incurring it by the employed earner;
- (b) in the case of a non-cash voucher which can only be exchanged for meals which exceeds the limits specified in paragraph (9) of Schedule 1C to these Regulations, the chargeable expense shall be reduced by the amount by which (if at all) it exceeds the face value of such a voucher or vouchers.

(24) The amount of earnings which is comprised in any payment by way of a cash or a non-cash voucher provided to or for the benefit of two or more persons (“employed earners”) and which falls to be taken into account in the computation of each of those employed earner’s earnings shall, for the purposes of earnings-related contributions, be calculated or estimated on the basis of—

- (a) where those respective proportions are known at the time of the payment, separate payments of the chargeable expense equal to the proportion of the benefit of the voucher to which they are each respectively entitled;
- (b) where the proportion of the benefit of the voucher to which each of them is entitled respectively is not known at the time of the payment, an equal part thereof.

(25) For the purposes of paragraph (24) of this regulation—

- (a) “the chargeable expense” means the chargeable expense calculated in accordance with paragraph (22) of this regulation;
- (b) where an employed earner makes good any part of the chargeable expense to the person incurring it, the chargeable expense in relation to that employed earner shall be reduced by that part.”.