

**2001 No. 1818**

**SOCIAL SECURITY**

**The Social Security Contributions (Deferred Payments and Interest) Regulations 2001**

<i>Made</i>	- - - -	<i>11th May 2001</i>
<i>Laid before Parliament</i>		<i>11th May 2001</i>
<i>Coming into force</i>	- -	<i>12th May 2001</i>

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by paragraph 6(1)(b) of Schedule 1 to the Social Security Contributions and Benefits Act 1992(a) and paragraph 6(1)(b) of Schedule 1 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992(b), after the signifying of Royal Assent to the Finance Act 2001(c), hereby make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Social Security Contributions (Deferred Payments and Interest) Regulations 2001 and shall come into force on 12th May 2001.

**Application of section 107 of the Finance Act 2001 for the purposes of Class 1 contributions, Class 1A contributions and Class 1B contributions**

2.—(1) For the purposes of Class 1 contributions, Class 1A contributions and Class 1B contributions, section 107 of the Finance Act 2001 (interest on unpaid tax, etc.: foot-and-mouth disease) shall apply with the following modifications.

(2) In subsection (1)—

(a) after “of tax”, where it first occurs, add “or a relevant contribution”; and

(b) for the second paragraph substitute—

“For this purpose—

“relevant contribution” means a Class 1 contribution, a Class 1A contribution or a Class 1B contribution, within the meaning of section 1(2) of the Social Security Contributions and Benefits Act 1992(d), or, in the case of a contribution payable in Northern Ireland, section 1(2) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(e), in respect of which interest would apart from this section be chargeable; and

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(a) 1992 c. 4. Paragraph 6(1) was amended by paragraph 77(8) of Schedule 7 to the Social Security Act 1998 (c. 14) and paragraph 35(1) and (2) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2).  
(b) 1992 c. 7. Paragraph 6(1) was amended by paragraph 58(8) of Schedule 6 to S.I. 1998/1506 (N.I. 10) and paragraph 34(1) and (2) of Schedule 3 to S.I. 1999/671.  
(c) 2001 c. 9.  
(d) Section 1(2) has been amended by paragraph 56(1) and (2) of Schedule 7 to the Social Security Act 1998 (c. 47).  
(e) Section 1(2) has been amended by paragraph 38(1) of Schedule 6 to S.I. 1998/1506.

“tax” includes any amount chargeable by way of tax, or as a result of the non-payment of tax, in respect of which interest would apart from this section be chargeable.”

(3) In subsection (2) for “31st January 2001” substitute “12th May 2001”.

(4) In subsection (6)(a) for “the passing of this Act” substitute “the coming into force of the Social Security Contributions (Deferred Payments and Interest) Regulations 2001”.

*Nick Montagu  
Tim Flesher*

11th May 2001

Two of the Commissioners of Inland Revenue

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### EXPLANATORY NOTE

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

These Regulations apply, with modifications, the provisions of section 107 of the Finance Act 2001 (“section 107”) for the purposes of Class 1, Class 1A and Class 1B social security contributions.

Regulation 1 provides for the citation and commencement of the Regulations.

Regulation 2 provides for the application of section 107 for the purposes of Class 1, Class 1A and Class 1B social security contributions, and specifies the modifications to the section for those purposes. Section 107 provides for interest not to be charged where, in the exercise of their powers of care and management, the Commissioners of Inland Revenue agree that, by reason of circumstances arising as a result of the outbreak of foot-and-mouth disease, the payment of tax may be deferred. As applied by regulation 2, the section provides that no interest shall be chargeable in respect of the period beginning with the date on which the Regulations come into force (or later, if the Commissioners so direct in the agreement) and ending with the date on which the agreement for deferred payment ceases to have effect. But for the Regulations, interest would be payable in respect of late paid Class 1 and Class 1B contributions by virtue of paragraph 17 of Schedule 4 to the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004), and in respect of Class 1A contributions by virtue of regulation 76 of those Regulations.

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