

2001 No. 2412

SOCIAL SECURITY

**The Social Security (Contributions) (Amendment No. 5)
Regulations 2001**

| | |
|-------------------------------|-----------------------|
| <i>Made - - - - -</i> | <i>4th July 2001</i> |
| <i>Laid before Parliament</i> | <i>5th July 2001</i> |
| <i>Coming into force - -</i> | <i>26th July 2001</i> |

The Treasury, with the concurrence of the Secretary of State in so far as required, in exercise of the powers conferred on them by sections 3(2) and (3), 10(9) and 175(1) to (3) of the Social Security Contributions and Benefits Act 1992(a) and, with the concurrence of the Department for Social Development in so far as required, in exercise of the powers conferred on them by sections 1(6) and (7), 3(2), (2A) and (3), 4(6) and (7), 10(9), 13(1) and 171(3), (4) and (10) of, and paragraph 6(1)(a) and (b) of Schedule 1 to, the Social Security Contributions and Benefits (Northern Ireland) Act 1992(b) and section 78(9) of the Child Support, Pensions and Social Security Act 2000(c) and the Commissioners of Inland Revenue, in exercise of the powers conferred on them by paragraph 6(1)(a) and (b) of Schedule 1 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992(d), and of all other powers respectively enabling them in that behalf, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Social Security (Contributions)(Amendment No.5) Regulations 2001 and shall come into force on 26th July 2001.

-
- (a) 1992 c. 4; section 3(2) was amended by paragraph 3 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2) (“the Transfer Act”). Section 10 was substituted by section 74(2) of the Child Support, Pensions and Social Security Act 2000 (c. 19). Section 175 was amended by paragraph 29 of Schedule 3 to the Transfer Act.
- (b) 1992 c. 7. Section 1(6) was amended by paragraph 38(3) of Schedule 6 to the Social Security (Northern Ireland) Order 1998 (S.I. 1998/1506 (N.I.10)) (“the 1998 Order”), and subsection (7) was added by paragraph 2 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671) (“the Transfer Order”). Section 3(2) was amended by paragraph 4 of Schedule 3 to the Transfer Order, and subsection (2A) was inserted by Article 45 of the 1998 Order. Section 4(6) was substituted by section 78(3) of the Child Support, Pensions and Social Security Act 2000 (c. 19) (“the 2000 Act”), and section 4(7) added by paragraph 5 of Schedule 3 to the Transfer Order. Section 10 was substituted by section 78(2) of the 2000 Act. Section 13(1) was amended by paragraph 15(2) of Schedule 3 to the Transfer Order and article 4 of S.I. 2001/477. Section 171(10) was substituted by paragraph 28(3) of Schedule 3 to the Transfer Order. The functions of the Department of Health and Social Services for Northern Ireland under the Social Security Contributions and Benefits (Northern Ireland) Act 1992 were transferred to the Department for Social Development by Article 8(b) of, and Part II of Schedule 6 to, the Departments (Transfer and Assignment of Functions) Order (Northern Ireland) 1999 (S.R. 1999 No. 481).
- (c) 2000 c. 19.
- (d) 1992 c. 7. Paragraph 6 of Schedule 1 was amended by paragraph 58(8) of Schedule 6 to the 1998 Order and paragraph 34 of Schedule 3 to the Transfer Order.

Amendment of the Social Security (Contributions) Regulations 2001

2. Amend the Social Security (Contributions) Regulations 2001(a) in accordance with regulations 3 to 5.

3.—(1) Amend regulation 40 (prescribed emoluments in respect of which Class 1A contributions not payable) as follows.

(2) In paragraph (2)—

(a) before sub-paragraph (a) insert—

“(za) in Part V, paragraph 6A;”;

(b) in sub-paragraph (d) for “9 and 11 to 13” substitute “9, 11 to 13 and 15”.

(3) In paragraph (7) omit sub-paragraph (a).

4. In paragraph 14(3)(b) of Schedule 2 (calculations of earnings for the purposes of earnings-related contributions in particular cases) for “the limit specified in Inland Revenue Extra-Statutory Concession A2 (luncheon vouchers) as published at 1st September 2000” substitute “15 pence,”.

5.—(1) Amend Schedule 3 (payments to be disregarded in the calculation of earnings for the purposes of earnings-related contributions) as follows.

(2) In Part V (non-cash vouchers)—

(a) in paragraph 6 omit sub-paragraph (a);

(b) after paragraph 6 insert—

“Meal vouchers

6A. 15 pence per working day up to a maximum of £1.05 per week of the value of one or more non-cash vouchers which can only be exchanged for meals.”.

(3) In Part IX (share incentives), after paragraph 3 insert—

““Short” share options granted on or after 6th April 1999

3A. A payment by way of the grant of a right to acquire shares obtained on, or after, 6th April 1999 which is not capable of being exercised more than ten years after it is obtained.”.

(4) In Part X (miscellaneous and supplemental)—

(a) in paragraph 1(1) for “14” substitute “15”; and

(b) after paragraph 14 add—

“Rewards for assistance with lost or stolen cards

15.—(1) A payment made by an issuer of charge cards, cheque guarantee cards, credit cards or debit cards, as a reward to an individual who assists in identifying or recovering lost or stolen cards in the course of his or her employment as an employed earner (other than employment by the issuer), together with any income tax paid by the issuer for the purpose of discharging any liability of the individual to income tax on the payment.

(2) In this paragraph—

“charge card” means a credit card, the terms of which include the obligations to settle the account in full at the end of a specified period;

“cheque guarantee card” means a card issued by a bank or building society for the purpose of guaranteeing a payment or supporting the encashment of a cheque up to a specified value;

“credit card” means a card which—

(a) may be used on its own to pay for goods or services or to withdraw cash, and

(a) S.I. 2001/1004.

- (b) enables the holder to make purchases and to draw cash up to a prearranged limit; and
“debit card” means a card linked to a bank or building society current account, used to pay for goods or services by debiting the holder’s account.”.

Revocations

- 6.—(1) The instruments listed in paragraph (2) are revoked.
- (2) The instruments are—
- (a) the Social Security (Contributions) (Amendment No. 3) Regulations (Northern Ireland) 1989(a);
 - (b) the Social Security (Contributions) (Amendment No. 6) Regulations (Northern Ireland) 1992(b); and
 - (c) the Social Security (Contributions) (Amendment No. 3) (Northern Ireland) Regulations 2001(c).

Nick Ainger
Graham Stringer

2nd July 2001 Two of the Lords Commissioners of Her Majesty’s Treasury

The Secretary of State hereby concurs.

Malcolm Wicks
Parliamentary Under Secretary of State
Department for Work and Pensions

4th July 2001

The Department for Social Development hereby concurs.

Sealed with the Official Seal of the Department for Social Development on 28th June 2001.



John O’Neil
Senior Officer of the Department for Social Development

Tim Flesher
Dave Harnett

27th June 2001

Two of the Commissioners of Inland Revenue

(a) S.R. 1989 No. 112.
(b) S.R. 1992 No. 280.
(c) S.I. 2001/597.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004).

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

Regulation 2 introduces the amendments made by these Regulations to the Social Security (Contributions) Regulations 2001, which are made by regulations 3 to 5.

Regulation 5 amends Schedule 3 (payments to be disregarded in the calculation of earnings for the purposes of earnings-related contributions). Paragraph (2) amends the provisions of Part V (non-cash vouchers) to introduce a disregard for a non-cash voucher which can be used only to obtain a meal subject to a maximum of 15p per voucher and £1.05 per week. Paragraph (3) amends Part IX (share incentives) to add a disregard for share options granted on or after 6th April 1999 and which are only capable of being exercised within ten years of the grant. Paragraph (4) amends Part X (miscellaneous and supplemental) by adding a disregard in respect of payments of rewards by issuers of charge, cheque, credit and debit cards for the provision of assistance in respect of the recovery or identification of such a card which has been lost or stolen. Regulations 3 and 4 make amendments consequential on those made by regulation 5 (2) and (4).

Regulation 6 revokes three instruments which amended the Social Security (Contributions) Regulations (Northern Ireland) 1979 (S.R. 1979 No. 186). Consequent on the consolidation of both those Regulations and the Social Security (Contributions) Regulations 1979 (S.I. 1979/591) by the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004), these instruments are spent.

£1.75

© Crown copyright 2001

Printed and published in the UK by The Stationery Office Limited
under the authority and superintendence of Carol Tullo, Controller of
Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.
E1360 7/2001 643560 19585

ISBN 0-11-029731-8



9 780110 297316