

2014 No. 572

SOCIAL SECURITY

**The Social Security (Contributions) (Amendment No. 2)
Regulations 2014**

<i>Made</i>	- - - -	<i>14th March 2014</i>
<i>Laid before Parliament</i>		<i>14th March 2014</i>
<i>Coming into force</i>	- -	<i>6th April 2014</i>

The Treasury make the following Regulations in exercise of powers conferred by sections 120(1) and (4) and section 175(4) of the Social Security Contributions and Benefits Act 1992(a) and now exercisable by them(b).

The Secretary of State concurs with the making of regulation 2.

Citation, commencement and effect

1. These Regulations may be cited as the Social Security (Contributions) (Amendment No. 2) Regulations 2014 and come into force on 6th April 2014.

Amendment of the Social Security (Contributions) Regulations 2001

2.—(1) The Social Security (Contributions) Regulations 2001(c) are amended as follows.

(2) In regulation 114 (application to employment in connection with continental shelf of Part 1 of the Act and so much of Part 6 of the Act as relates to contributions) after paragraph (3) insert—

“(4) Where a continental shelf worker is employed in any employment specified in paragraph (1) and that employment is on or in connection with an offshore installation the secondary contributor is—

- (a) where the employer is present in Great Britain, the employer; or,
- (b) where the employer is not present in Great Britain but has an associated company present in Great Britain, the associated company; or,
- (c) where the employer is not present and does not have an associated company present in Great Britain, the oil field licensee.

Where the employer has more than one associated company present in Great Britain the associated company to which sub-paragraph (b) applies is the company which has the

(a) 1992 c.4. Section 120(1) of the Social Security Contributions and Benefits Act 1992 (“the 1992 Act”) was amended by paragraph 70 of Schedule 7 to the Social Security Act 1998 (c.14). Section 120(4) of the 1992 Act was inserted by section 12 of the National Insurance Contributions Act 2014 (c. 6).

(b) The power to make regulations under section 120(1) of the 1992 Act was transferred to the Treasury, by paragraph 8 of Schedule 7 to the Social Security (Transfer of Functions, etc) Act 1999 (c.2) (“the Transfer Act”). Section 175(4) was amended by paragraph 29 of Schedule 3 to the Transfer Act.

(c) S.I. 2001/1004; there are amending instruments none of which are relevant.

greatest taxable total profit within the meaning of section 4 of the Corporation Tax Act(a) 2010 for the accounting period(b) which precedes the tax year in which the contributions are due.

- (5) The modifications in sub-paragraph (4) do not apply to a continental shelf worker—
- (a) who is employed in a capacity described in Column (A) of Table 1,
 - (b) who holds a certificate of a description in Column (B) of that table, and
 - (c) whose presence on the ship is required in order to meet the requirement of regulation 5(1)(c) of the Merchant Shipping (Safe manning, Hours of Work and Watchkeeping) Regulations 1997(c).

Table 1

<i>Column (A): capacity in which the continental shelf worker is employed</i>	<i>Column (B): description of the certificate</i>
Master or chief mate on a ship of 3000 gross tons or more.	A certificate which complies with regulation 7 of the Merchant Shipping Regulations.
Master or chief mate on a ship of less than 3000 gross tons.	A certificate which complies with regulation 7 of the Merchant Shipping Regulations.
Officer in charge of an engineering watch in a manned engine-room, or a designated duty engineer officer in a periodically unmanned engine-room, on a ship powered by main propulsion machinery of 750kW propulsion power or more.	A certificate which complies with regulation 7 of the Merchant Shipping Regulations.
Chief engineer officer or second engineer officer on a ship powered by main propulsion machinery of between 750kW and 3000kW propulsion power.	A certificate which complies with regulation 7 of the Merchant Shipping Regulations.
Rating forming part of a navigational watch on a ship of 500 gross tons or more and whose duties are skilled in nature.	A certificate issued under regulation 8 of the Merchant Shipping Regulations.
Rating forming part of an engine-room watch or designated to perform duties in a periodically unmanned engine-room on a ship powered by main propulsion machinery of 750kW propulsion power or more.	A certificate issued under regulation 8 of the Merchant Shipping Regulations.

(6) In Table 1 “Merchant Shipping Regulations” means the Merchant Shipping (Training and Certification) Regulations 1997(d);

(7) To the extent that where this regulation and regulations 115 to 125 (case C Mariners) apply, this regulation takes precedence.”.

- (3) After regulation 114 insert—

“Continental shelf workers: provisions relating to certificates

Application for certificate

114A.—(1) An employer who meets the conditions in paragraph (2) may apply to HMRC for the issue of a UKCS continental shelf workers certificate.

(a) 2010 c. 4.

(b) The definition of an “accounting period” can be found in section 1119 of the Corporation Tax Act 2010.

(c) S.I. 1997/1320; there are amending instruments none of which are relevant.

(d) S.I. 1997/348; relevant amendments made by S.I. 2006/ 89.

- (2) The conditions are that—
- (a) the employer supplies or intends to supply a continental shelf worker for whom the secondary contributor, under regulation 114(4) (application of Part 1 and Part 6 of the Act^(a) to employment in connection with the continental shelf), is the oil field licensee;
 - (b) the employer has or intends to have a contractual relationship under which the employer acts, directly or indirectly, as an agent of the oil field licensee for the purposes of National Insurance; and
 - (c) the employer or an associated company has not had a certificate cancelled previously for a failure to comply with their obligations and responsibilities under regulation 114B.
- (3) An application under this regulation must be made in writing and must include—
- (a) the name and address of the employer and employer’s PAYE reference;
 - (b) the name and address of a person in Great Britain who is authorised to accept service on behalf of the employer;
 - (c) confirmation that the employer understands and intends to discharge the obligations contained in regulation 114B; and
 - (d) the name, address, and employer’s PAYE reference of any associated company which is a current or former holder of a UKCS continental shelf workers certificate.
- (4) When the employer makes the first application under this regulation, the employer may also comply with the obligation under regulation 114B(e) by including those details (if known) in the application.
- (5) An application made under this regulation may be combined with an application made under an equivalent PAYE provision.
- (6) Upon receipt of an application under this regulation, an officer of Revenue and Customs may, if they are satisfied the conditions in paragraph (2) are met, issue a UKCS continental shelf workers certificate.
- (7) A UKCS continental shelf workers certificate must include—
- (a) the name of the UKCS continental shelf workers certificate holder;
 - (b) the PAYE reference of the UKCS continental shelf workers certificate holder; and
 - (c) the date on which the certificate is issued.
- (8) A UKCS continental shelf workers certificate may be issued to—
- (a) the person authorised to accept service on behalf of the employer;
 - (b) the employer; or
 - (c) both the person authorised to accept service on behalf of the employer and the employer.
- (9) A certificate may be combined with a certificate issued under an equivalent PAYE provision.
- (10) Where an employer ceases to meet the conditions in paragraph (2) or to comply with its obligations under regulation 114B, or an equivalent PAYE provision, an officer of Revenue and Customs may, by notice in writing to the person authorised to accept service on behalf of the employer, cancel the UKCS continental shelf workers certificate from the date specified in the notice of cancellation.
- (11) The date specified in paragraph (10) may not be earlier than 10 working days after the date of the notice.

(a) The definition of “the Act” can be found in regulation 1(2) of the Social Security (Contributions) Regulations 2001.

(12) A notice under paragraph (10) may be combined with a notice under an equivalent PAYE provision.

UKCS continental shelf workers certificate holder: obligations and responsibilities

114B. A UKCS continental shelf workers certificate holder must—

- (a) make such deductions, returns and repayments as are required of a secondary contributor;
- (b) keep written records of—
 - (i) the name, date of birth, and national insurance number of the continental shelf workers supplied;
 - (ii) the name, registered office and oil field licence number of the oil field licensee to whom each of the workers were supplied;
 - (iii) the offshore installation to which each of the workers were supplied; and
 - (iv) the dates between which the workers worked on the offshore installation;
- (c) keep the records required by sub-paragraph (b) for a period of 6 years from the end of the tax year to which they relate; and
- (d) where an officer of Revenue and Customs requires them in writing to do so, provide copies of the records required by sub-paragraph (b) to HMRC within 30 days of the date of the request;
- (e) before supplying the oil field licensee with continental shelf workers for the first time, inform HMRC in writing of the details of the oil field licensee including name, business address, and oil field licence number of the oil field licensee.

UKCS oil field licensee certificate:

114C.—(1) Where a UKCS continental shelf workers certificate holder has notified HMRC that the employer intends to supply continental shelf workers to an oil field licensee an officer of Revenue and Customs must issue a UKCS oil field licensee certificate to the oil field licensee.

(2) The UKCS oil field licensee certificate must include—

- (a) the name of the oil field licensee
- (b) the registered office of that oil field licensee;
- (c) the oil field licence number;
- (d) the name of the UKCS continental shelf workers certificate holder;
- (e) the date on which it is issued; and
- (f) a description of the continental shelf workers to whom it applies.

(3) Where a UKCS oil field licensee certificate is in force the holder of that certificate is not liable to pay any contributions in respect of any continental shelf worker of a description set out in the certificate.

(4) If a UKCS continental shelf workers certificate is cancelled by an officer of Revenue and Customs that officer must also, by notice in writing, cancel the UKCS oil field licensee certificate.

(5) A notice under paragraph (4) must—

- (a) be sent on the same day as the notice cancelling the UKCS continental shelf workers certificate;
- (b) specify the date of cancellation of the UKCS oil field licensee certificate; and
- (c) notify the oil field licensee that it is are liable to meet its obligations as a secondary contributor.

(6) The date of cancellation of the UKCS oil field licensee certificate must be the same date as that specified in the UKCS continental shelf workers certificate cancellation notice.

Interpretation of regulations 114A to 114C

114D. In regulations 114 to 114C—

“associated company” means any company within the meaning of section 449 of the Corporation Tax Act 2010;

“an equivalent PAYE provision” means any provision in the PAYE Regulations^(a) which has an equivalent effect to the provisions in regulations 114A to 114C;

“employer’s PAYE reference” has the meaning given in regulation 2(1) of the PAYE Regulations;

“offshore installation” means—

- (a) a structure which is, is to be, or has been, put to a relevant use while in water;
- (b) but a structure is not an offshore installation if—
 - (i) it has permanently ceased to be put to a relevant use,
 - (ii) it is not, and is not to be, put to any other relevant use, and
 - (iii) since permanently ceasing to be put to a relevant use, it has been put to a use which is not a relevant use;
- (c) a use is a relevant use if it is—
 - (i) for the purposes of exploiting mineral resources,
 - (ii) for the purposes of exploration with a view to exploiting mineral resources,
 - (iii) for the storage of gas in or under the shore or the bed of any waters,
 - (iv) for the recovery of gas so stored,
 - (v) for the conveyance of things by means of a pipe,
 - (vi) mainly for the provision of accommodation for individuals who work on or from a structure which is, is to be, or has been put to any of the above uses while in the water,
 - (vii) for the purposes of decommissioning any structure which has been used for or in connection with any of the relevant uses above;
- (d) a structure is put to use while in water if it is put to use while—
 - (i) standing in any waters,
 - (ii) stationed (by whatever means) in any waters, or
 - (iii) standing on the foreshore or other land intermittently covered with water;
- (e) a “structure” includes a ship or other vessel except where it is used wholly or mainly—
 - (i) for the transport of supplies;
 - (ii) as a safety vessel;
 - (iii) for a combination of (i) and (ii); or
 - (iv) for the laying of cables.

“oil field licensee” means the holder of a licence under Part 1 of the Petroleum Act 1998^(b) in respect of the area in which the duties of the continental shelf worker’s employment are performed;

(a) The definition of “the PAYE Regulations” can be found in regulation 1(2) of the Social Security (Contributions) Regulations 2001.

(b) 1998 c.17.

“UKCS continental shelf workers certificate” means a certificate issued under regulation 114A;

“UKCS oil field licensee certificate” means a certificate issued under regulation 114C(1).”.

*San Gyimah
Mark Lancaster*

14th March 2014 Two of the Lords Commissioners of Her Majesty’s Treasury
The Secretary of State concurs as indicated in the preamble.
Signed by authority of the Secretary of State for Work and Pensions.

Mike Penning
Minister of State
Department for Work and Pensions

13th March 2014

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Social Security (Contributions) Regulations 2001 (“the 2001 Regulations”) make provision, amongst other things, for the application of Parts 1 to 4 of the Social Security Contribution and Benefits Act 1992 (with modifications) to workers employed on the United Kingdom Continental Shelf.

These Regulations amend the 2001 Regulations to make provision in relation to the secondary contributor for certain workers.

Regulation 2 amends regulation 114 and inserts regulations 114A to 114D in order to modify the application of the Social Security Contributions and Benefits Act 1992 as it applies to workers on the UK Continental Shelf, and to insert provisions relating to a new certification process.

Regulation 2(2) amends regulation 114 of the 2001 Regulations to insert new paragraphs (4), (5), (6) and (7). New paragraph (4) sets out who is to be the secondary contributor where a worker is employed on an offshore installation. New paragraphs (5) and (6) provide that new paragraph (4) does not apply to mariners who are present on an offshore installation because of the requirements of safe manning of vessels legislation. New paragraph (7) provides that where the secondary contributor (or lack of) could fall to be determined under regulation 114 or regulations 115 to 125 of the 2001 Regulations regulation 114 takes precedence.

Regulation 2(3) inserts new regulations 114A to 114C into the 2001 Regulations in order to provide for the issue of certificates where an employer with no presence in Great Britain discharges filing and payment responsibilities on behalf of the oil field licensee. It also inserts regulation 114D to assist with the interpretation of regulations 114 to 114C.

A Tax Information and Impact Note covering this instrument was published on 10 December 2013 alongside the draft legislation and is available on the Gov.uk website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins#finance-bill-2014-10-december-2013>. An updated Tax Information and Impact Note will be published on that website.

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