

---

*Changes to legislation: There are currently no known outstanding effects for the National Insurance Contributions Act 2014, PART 2. (See end of Document for details)*

---

## SCHEDULES

### SCHEDULE 1

#### EMPLOYMENT ALLOWANCE: RULES FOR DETERMINING IF PERSONS ARE “CONNECTED”

#### PART 2

#### CHARITIES

**Modifications etc. (not altering text)**

- C1** Sch. 1 Pt. 2 applied (E.W.S.) (26.5.2020) by [The Statutory Sick Pay \(Coronavirus\) \(Funding of Employers' Liabilities\) Regulations 2020 \(S.I. 2020/512\)](#), regs. 1, **4(4)(b)**
- C2** Sch. 1 Pt. 2 applied (N.I.) (26.5.2020) by [The Statutory Sick Pay \(Coronavirus\) \(Funding of Employers' Liabilities\) \(Northern Ireland\) Regulations 2020 \(S.I. 2020/513\)](#), regs. 1, **4(4)(b)**

- 8 (1) Two charities are connected with one another for the purposes of section 3(2) if—
- (a) they are connected with one another in accordance with section 993 of the Income Tax Act 2007 (meaning of “connected” persons), and
  - (b) their purposes and activities are the same or substantially similar.
- (2) In the application of section 993 of the Income Tax Act 2007 for the purposes of sub-paragraph (1)(a)—
- (a) a charity which is a trust is to be treated as if it were a company (and accordingly a person), including in this sub-paragraph;
  - (b) a charity which is a trust has “control” of another person if the trustees (in their capacity as trustees of the charity) have, or any of them has, control of the person;
  - (c) a person (other than a charity regulator) has “control” of a charity which is a trust if—
    - (i) the person is a trustee of the charity and some or all of the powers of the trustees of the charity could be exercised by the person acting alone or by the person acting together with any other persons who are trustees of the charity and who are connected with the person,
    - (ii) the person, alone or together with other persons, has power to appoint or remove a trustee of the charity, or
    - (iii) the person, alone or together with other persons, has any power of approval or direction in relation to the carrying out by the trustees of any of their functions.
- (3) A charity which is a trust is also connected with another charity which is a trust for the purposes of section 3(2) if at least half of the trustees of one of the charities are—
- (a) trustees of the other charity,

---

*Changes to legislation: There are currently no known outstanding effects for the  
National Insurance Contributions Act 2014, PART 2. (See end of Document for details)*

---

- (b) persons who are connected with persons who are trustees of the other charity,  
or
  - (c) a combination of both,
- and the charities' purposes and activities are the same or substantially similar.
- (4) In determining if a person is connected with another person for the purposes of sub-paragraph (2)(c)(i) or (3)(b), apply section 993 of the Income Tax Act 2007 with the omission of subsection (3) of that section (and without the modifications in sub-paragraph (2)).
- (5) If a charity (“A”) controls a company (“B”) which, apart from this sub-paragraph, would not be a charity—
- (a) B is to be treated as if it were a charity for the purposes of section 3 and this Part (including this sub-paragraph), and
  - (b) A and B are connected with one another for the purposes of section 3(2).
- (6) In sub-paragraph (5) “control” is to be read in accordance with—
- (a) paragraph 2(2) and (3) (but ignoring paragraphs 3 to 6), and
  - (b) sub-paragraph (2)(b) of this paragraph.
- 9 (1) This paragraph applies if—
- (a) a charity (“A”) is connected with another charity (“B”) for the purposes of section 3(2), and
  - (b) B is connected with another charity (“C”) for the purposes of section 3(2).
- (2) A and C are also connected with one another for the purposes of section 3(2) (if that would not otherwise be the case).
- (3) In sub-paragraph (1)(a) the reference to a charity being connected with another charity for the purposes of section 3(2) is to that charity being so connected by virtue of paragraph 8 or this paragraph, and in sub-paragraph (1)(b) the reference to a charity being connected with another charity for the purposes of section 3(2) is to that charity being so connected by virtue of paragraph 8.

**Changes to legislation:**

There are currently no known outstanding effects for the National Insurance Contributions Act 2014, PART 2.