

1981 No. 82

SOCIAL SECURITY

**The Social Security (Contributions) Amendment
Regulations 1981**

Made - - - - 26th January 1981

Laid before Parliament 28th January 1981

Coming into Operation 6th April 1981

The Secretary of State for Social Services with the concurrence of the Inland Revenue in exercise of powers conferred upon him by paragraph 5(1) of Schedule 1 to the Social Security Act 1975(a) and of all other powers enabling him in that behalf without having referred any proposals on the matter to the Social Security Advisory Committee since it appears to him that by reason of urgency it is inexpedient to do so(b), hereby makes the following regulations:—

Citation, commencement and interpretation

1.—(1) These regulations may be cited as the Social Security (Contributions) Amendment Regulations 1981 and shall come into operation on 6th April 1981:

Provided that, in relation to emoluments paid before 6th April 1981, the principal regulations shall continue to apply as if these regulations had not been made.

(2) In these regulations “the principal regulations” means the Social Security (Contributions) Regulations 1979(c).

Amendments of Schedule 1 to the principal regulations

2. In Regulation 2(1):—

(a) the definition of “deduction card” shall be omitted and in its place there shall be inserted—

“ “deductions working sheet” means any form of record on or in which are to be kept the matters required by these Regulations in connection with an employee’s emoluments and earnings-related contributions or the form issued by the Inspector under Regulation 51 of these Regulations or Regulation 21 of the Income Tax Regulations (employee on fixed pay) for the purpose of keeping that record;”;

(b) after the definition of “income tax month” there shall be inserted—

“ “the Income Tax Regulations” means the Income Tax (Employments) Regulations 1973(d);”.

3. In Regulation 5 for the words “deduction card” there shall be substituted “deductions working sheet”.

(a) 1975 c. 14.

(b) See Social Security Act 1980 (c. 30), section 10(2)(a).

(c) S.I. 1979/591, to which there are amendments not relevant to these Regulations.

(d) S.I. 1973/334; the relevant amending instrument is S.I. 1981/44.

4. For Regulation 6(1) there shall be substituted:—

“6.—(1) Every employer, on making during any year to any employee any payment of emoluments in respect of which earnings-related contributions are payable—

- (a) shall, if he has not already done so, prepare, or in the case of an employee to whom Regulation 21 of the Income Tax Regulations applies, maintain a deductions working sheet for that employee, and
- (b) may deduct earnings-related contributions in accordance with these Regulations.”.

5. In Regulation 13:—

(a) in paragraph (6)—

- (i) for the words “record, either on the deduction card or in such other form as may be authorised by the Commissioners of Inland Revenue or, as the case may be, the Secretary of State”, there shall be substituted “record on the deductions working sheet for that employee”;
- (ii) after the words “Secretary of State” there shall be inserted “, the year to which the working sheet relates”;

(b) in paragraph (6C)—

- (i) for the words “deduction card” there shall be substituted “deductions working sheet”;
- (ii) the words from “in the form” to “Secretary of State” shall be deleted.

6. Regulation 20 shall be deleted.

7. In Regulation 30:—

(a) for paragraph (1) there shall be substituted:—

“(1) Not later than 14 days after the end of the year the employer shall render to the Collector in such form as the Commissioners of Inland Revenue may approve or prescribe, a return in respect of each employee showing—

- (a) such particulars as the Commissioners may require for the identification of the employee,
- (b) the year to which the return relates, and
- (c) in respect of each and under each of the category letters—
 - (i) the total amounts for the year shown under each of the heads (ii) and (iii) severally of Regulation 13(6)(b) of these Regulations, and
 - (ii) severally, the total amount for the year shown under sub-paragraph (c) of the said Regulation 13(6).”;

(b) in paragraph (2) for the words from “deduction cards issued by the Inspector” to “Regulations” there shall be substituted “deductions working sheets on which the employer was obliged to keep records in accordance with these Regulations”;

(c) in paragraph (5) for the words from “a deduction card” to the end of the paragraph there shall be substituted “the employer was required

at any time during the year to prepare or maintain a deductions working sheet in accordance with these Regulations.”.

8. In Regulation 32:—

(a) in paragraph (1) for the words “deduction cards” in both places where they occur there shall be substituted “deductions working sheets”;

(b) there shall be added the following paragraph:—

“(5) For the purposes of paragraph (1) of this Regulation, the wages sheets, deductions working sheets and other documents and records therein mentioned shall be retained by the employer for not less than three years after the end of the year to which they relate.”.

9. In Regulation 51:—

(a) in paragraphs (1) and (2) for the words “deduction card” wherever they occur there shall be substituted “deductions working sheet” and for the word “card” wherever it occurs there shall be substituted “working sheet”;

(b) in paragraph (5) for the words “a return to the Collector on the deduction card, showing” there shall be substituted “to the Collector, in such form as the Commissioners of Inland Revenue may prescribe, a return showing such particulars as the Commissioners may require for the identification of the employee, the year to which the return relates, the appropriate category letter,”;

(c) in paragraph (6) for the words from “shall (unless he” to “deduction card, showing” there shall be substituted “shall (unless paragraph (5) of this Regulation has applied) render to the Collector, in such form as the Commissioners of Inland Revenue may prescribe, a return showing such particulars as the Commissioners may require for the identification of the employee, the year to which the return relates,”;

(d) there shall be added the following paragraph:—

“(9) The employee shall retain deductions working sheets issued under paragraph (1) of this Regulation for not less than three years after the end of the year to which they relate.”.

Patrick Jenkin,
Secretary of State for Social Services.

26th January 1981.

The Commissioners of Inland Revenue hereby concur.
By Order of the Commissioners of Inland Revenue.

J. D. Taylor Thompson,
Secretary.

26th January 1981.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations amend Schedule 1 to the Social Security (Contributions) Regulations 1979 ("the principal regulations") which applies, with extensions and modifications, the provisions of the Income Tax (Employments) Regulations 1973 to and for the purpose of the collection and recovery of earnings-related contributions. The amendments to the principal regulations are consequential on amendments to the Income Tax (Employments) Regulations 1973 which change the procedure relating to Pay As You Earn records. For the purposes of the collection and recovery of earnings-related contributions the amendments to the principal regulations relate to procedures for recording details of employees' pay and contributions during and at the end of the tax year.

These Regulations will be referred to the Social Security Advisory Committee under subsection (7) of section 10 of the Social Security Act 1980 unless the Committee agrees that that subsection shall not apply.

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