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STATUTORY INSTRUMENTS

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**1988 No. 992**

**SOCIAL SECURITY**

**The Social Security (Contributions)  
Amendment (No. 4) Regulations 1988**

<i>Made</i>	- - - -	<i>7th June 1988</i>
<i>Laid before Parliament</i>		<i>10th June 1988</i>
<i>Coming into force</i>	- -	<i>1st July 1988</i>

The Secretary of State for Social Services, in exercise of the powers conferred upon him by section 3(2) and (3) of, and paragraph 6(1)(h) of Schedule 1 and Schedule 20 to, the Social Security Act 1975<sup>(1)</sup> and of all other powers enabling him in that behalf, by this instrument, which contains only provisions consequent on sections 1 and 7 of the Social Security Act 1986<sup>(2)</sup>, and which is made before the end of a period of 12 months from their commencement, makes the following Regulations:

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Social Security (Contributions) Amendment (No. 4) Regulations 1988 and shall come into force on 1st July 1988.

(2) In these Regulations “the principal Regulations” means the Social Security (Contributions) Regulations 1979<sup>(3)</sup>.

**Amendment of regulation 19 of the principal Regulations**

2. In paragraph (1) of regulation 19 of the principal Regulations (payments to be disregarded) after the word “apply” in sub-paragraph (j) a semi-colon shall be substituted for the full stop and there shall be added the following sub-paragraph—

“(k) a payment which by virtue of section 643(1) of the Income and Corporation Taxes Act 1988<sup>(4)</sup> (employers' contributions) is not regarded as an emolument of the employment chargeable to tax under Schedule E.”.

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(1) 1975 c. 14; paragraph 6(1)(h) of Schedule 1 was amended by the Social Security Act 1986 (c. 50), Schedule 10, paragraph 10; see definitions of “prescribe” and “regulations” in Schedule 20.

(2) 1986 c. 50.

(3) S.I. 1979/591; relevant amending instruments are S.I. 1983/395, 1984/77, 1985/1398, 1987/413, 1590, 2111 and 1988/860.

(4) 1988 c. 1.

### **Amendment of regulation 32 of the principal Regulations**

3. In regulation 32 of the principal Regulations (return of contributions)—
- (a) in paragraph (2) for the word “they” there shall be substituted the words “and the Secretary of State has not been given notice under section 1(9) of the Social Security Act 1986<sup>(5)</sup> (definition of earner’s chosen scheme), the contributions”;
  - (b) after paragraph (2) there shall be inserted the following paragraph—

“(2A) Where an application under this regulation has been made for the return of contributions paid in excess of the amount prescribed in the said regulation 17 and the Secretary of State has been given notice under section 1(9) of the Social Security Act 1986, the contributions shall, subject to paragraph (3) of this regulation, be returned in the order of priority specified in paragraph (2) of this regulation, save that the contributions specified in sub-paragraph (d) of that paragraph shall be returned before those specified in sub-paragraph (c).”.

### **Amendment of regulation 35 of the principal Regulations**

4. In paragraph (1) of regulation 35 of the principal Regulations (calculation of return of contributions) after the word “Act” in sub-paragraph (d) a semi-colon shall be substituted for the full stop and there shall be added the following sub-paragraphs—
- “(e) the amount of any minimum contributions paid by the Secretary of State under section 1 of the Social Security Act 1986<sup>(6)</sup> (minimum contributions to personal pension schemes);
  - (f) the amount of any payment made by the Secretary of State under section 7 of the Social Security Act 1986 (schemes becoming contracted-out between 1986 and 1993).”.

Signed by authority of the Secretary of State for Social Services.

7th June 1988

*Skelmersdale*  
Parliamentary Under-Secretary of State,  
Department of Health and Social Security

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<sup>(5)</sup> 1986 c. 50.  
<sup>(6)</sup> 1986 c. 50.

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## EXPLANATORY NOTE

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

These Regulations further amend the Social Security (Contributions) Regulations 1979 (“the principal Regulations”) and are made in consequence of sections 1 and 7 of the Social Security Act 1986 (“the 1986 Act”). As they are made before the end of a period of 12 months from the coming into force of the provisions in consequence of which they are made, they are exempted by section 61(5)(b) of the 1986 Act from the requirement under section 10(1) of the Social Security Act 1980 (c. 30) to refer proposals to the Social Security Advisory Committee and are made without reference to that Committee.

Regulation 2 amends regulation 19 of the principal Regulations to provide that payments made by an employer under personal pension arrangements which have been made by his employee and approved by the Board of Inland Revenue under Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988 shall be excluded from the computation of that employee’s earnings for the purposes of earnings-related contributions.

Regulation 3 amends regulation 32 of the principal Regulations to provide for a different order of priority for the return of overpaid contributions where the Secretary of State has been given notice under section 1(9) of the 1986 Act.

Regulation 4 amends regulation 35 of the principal Regulations to require the Secretary of State to deduct from overpaid earnings-related contributions, before they are repaid, the amount of any minimum contributions paid by the Secretary of State under section 1 of the 1986 Act and the amount of any payment made by the Secretary of State under section 7 of the 1986 Act.