

**2003 No. 1337**

**SOCIAL SECURITY**

**The Social Security (Contributions) (Amendment No. 4)  
Regulations 2003**

<i>Made</i> - - - -	<i>19th May 2003</i>
<i>Laid before Parliament</i>	<i>20th May 2003</i>
<i>Coming into force</i> - -	<i>10th June 2003</i>

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by paragraphs 3(3) and (6) and 6(1) of Schedule 1 to the Social Security Contributions and Benefits Act 1992(a) and paragraphs 3(3) and (6) and 6(1) of Schedule 1 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992(b) and of all other powers enabling them in that behalf, hereby make the following Regulations:

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Social Security (Contributions) (Amendment No. 4) Regulations 2003 and shall come into force on 10th June 2003.

(2) In these Regulations—

“the principal Regulations” means the Social Security (Contributions) Regulations 2001(c);

“Schedule 4” means Schedule 4 to the principal Regulations.

**Amendment of the principal Regulations**

2.—(1) Amend paragraph 7 of Schedule 4 as follows.

(2) In sub-paragraph (3)(d) for “the same year” substitute “the same year and, where the case falls within paragraph (b), during the following year”.

(3) At the end of sub-paragraph (5)(e) add—

“This is subject to the following qualification.”.

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(a) 1992 c.4; paragraph 3(3) was amended by section 55(a) of the Social Security Act 1998 (c. 14) (“the 1998 Act”) and paragraph 3(6) was inserted by paragraph 33 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2) (“the Transfer Act”). Paragraph 6(1) was amended by paragraph 77(8) of Schedule 7 to the 1998 Act, paragraph 35(2) of Schedule 3 to the Transfer Act and paragraph 185(a) and (b) of Schedule 6 to the Income Tax (Earnings and Pensions) Act 2003 (c. 1).

(b) 1992 c.7; paragraph 3(3) was amended by Article 52(a) of the Social Security (Northern Ireland) Order 1998 (S.I. 1998/1506 (N.I. 10)) (“the 1998 Order”) and paragraph 3(6) was added by paragraph 32 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671) (“the Transfer Order”). Paragraph 6(1) was amended by paragraph 58(8) of Schedule 6 to the 1998 Order, paragraph 34(2) of Schedule 3 to the Transfer Order and paragraph 204(a) and (b) of Schedule 6 to the Income Tax (Earnings and Pensions) Act 2003.

(c) S.I. 2001/1004: the relevant amending instruments are S.I. 2002/2929 and S.I. 2003/193.

(d) Sub-paragraph (3) was substituted by regulation 7(3) of S.I. 2002/2929.

(e) Sub-paragraph (5) was amended by regulation 7(5) of S.I. 2002/2929.

(4) After sub-paragraph (5) insert—

“(5A) Where a payment—

- (a) falls within sub-paragraph (4)(e)(a),
- (b) comprises a beneficial interest in shares, or
- (c) is treated as earnings within the meaning of Part 7 of the Income Tax (Earnings and Pensions) Act 2003(b),

sub-paragraph (5B) applies.

(5B) If this sub-paragraph applies—

- (a) sub-paragraph (5)(a) shall have effect as if “, but not in excess of,” were omitted; and
- (b) sub-paragraph (8)(c) shall have effect as if at the end there were added “or the following year”.

3.—(1) Amend paragraph 9(2) of Schedule 4 as follows.

(2) For the words from “but the employee has paid” to the end of the sub-paragraph substitute—

“but the employee—

- (a) has paid, or
- (b) is treated, by virtue of section 6A of the Act(d), as having paid,

primary Class 1 contributions in that year, the employer shall nevertheless give the employee such a certificate showing the information referred to in sub-paragraph (1)(e).”.

19th May 2003

*Ann Chant*  
*Dave Hartnett*  
Two of the Commissioners of Inland Revenue

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(a) Sub-paragraph (4)(e) was inserted by regulation 7(4) of S.I. 2002/2929.

(b) 2003 c. 1.

(c) Sub-paragraph (8) was substituted by regulation 7(7) of S.I. 2002/2929.

(d) Section 6A was inserted by paragraph 3 of Part I of Schedule 9 to the Welfare Reform and Pensions Act 1999 (c. 30). For the construction, in relation to Northern Ireland, of references in the principal Regulations to enactments not applying there, see regulation 156(3) of those Regulations.

(e) Sub-paragraph (1) was amended by regulation 16(3) of S.I. 2003/193.

## **EXPLANATORY NOTE**

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

These Regulations amend Schedule 4 to the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004: “the principal Regulations”). Schedule 4 makes provision corresponding to, and applying provisions of, the Income Tax (Employments) Regulations 1993 (S.I. 1993/744: “the Income Tax Regulations”) in relation to National Insurance contributions.

Regulation 1 provides for citation, commencement and interpretation of these Regulations.

Regulation 2 amends paragraph 7 of Schedule 4. Regulation 2(2) extends the time in which contributions can be recovered by one year where payment has been made by an intermediary pursuant to sub-paragraph (4)(e) of paragraph 7. Regulation 2(3) qualifies sub-paragraph (5) of paragraph 7. Regulation 2(4) inserts two new sub-paragraphs (5A) and (5B) into paragraph 7. The new sub-paragraphs deal with payment by an intermediary, payment of shares or share-based earnings and payments treated as earnings by Part 7 of the Income Tax (Earnings and Pensions) Act 2003 (c. 1). In these circumstances the time for recovery of contributions from an earner by his employer is extended by one year, and the limit on the amount which can be recovered during that period does not apply.

Regulation 3 amends paragraph 9 of Schedule 4 so that an employee who would not otherwise be entitled to a certificate in accordance with regulation 39 of the Income Tax Regulations, is entitled to such a certificate if the employee has paid, or is treated as having paid, primary Class 1 contributions.