

2003 No. 2420

SOCIAL SECURITY

**The Social Security (Categorisation of Earners) (Amendment
No. 2) Regulations 2003**

<i>Made</i> - - - -	<i>18th September 2003</i>
<i>Laid before Parliament</i>	<i>18th September 2003</i>
<i>Coming into force</i> - -	<i>13th October 2003</i>

The Treasury, in exercise of the powers conferred upon them by sections 7(2) and (3) and 175(3) and (4) of the Social Security Contributions and Benefits Act 1992(a), hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Social Security (Categorisation of Earners) (Amendment No. 2) Regulations 2003 and shall come into force on 13th October 2003.

2. The Social Security (Categorisation of Earners) Regulations 1978(b) are amended as follows.

3. In regulation 1(2) (interpretation) insert at the appropriate places—

““category A, B, C or D waters” has the meaning given in the Merchant Shipping (Categorisation of Waters) Regulations 1992(c);”;

““mariner” has the meaning given in regulation 115 of the Social Security (Contributions) Regulations 2001(d);”.

4.—(1) Renumber regulation 5 as paragraph (1) of that regulation.

(2) After paragraph (1) so formed add—

“(2) Paragraph 9 of Schedule 3 applies to mariners notwithstanding anything in regulations 122 and 124(1) of the Social Security (Contributions) Regulations 2001.”.

5. In paragraph 9 of Schedule 3 (personal service of person employed made available to a host employer)(e) in the entry in Column (A) add at the end—

“Where the employment is as a mariner, this paragraph only applies where the duties of the employment are performed wholly or mainly in category A, B, C or D waters.”.

(a) 1992 c. 4; section 7 was amended by paragraph 7 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), and by paragraph 173 of Schedule 6 to the Income Tax (Earnings and Pensions) Act 2003 (c. 1). Section 175(4) was amended by paragraph 29(4) of Schedule 3 to the former Act.

(b) S.I. 1978/1689; the relevant amending instrument is S.I. 1994/726.

(c) S.I. 1992/2356; category A, B, C and D waters are specified (pursuant to S.I. 1992/2356) in Merchant Shipping Notice MSN 1776 (M).

(d) S.I. 2001/1004.

(e) Paragraph 9 was added by regulation 4(1) of S.I. 1994/726.

Nick Ainger
Joan Ryan

18th September 2003

Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Social Security (Categorisation of Earnings) Regulations 1978 (S.I. 1978/1689). Paragraph 9 of Schedule 3 to those Regulations provides that where an employee is employed by a foreign employer, and his services are made available, after 6th April 1994, to a person with a place of business in the U.K. (the "host employer"), the host employer is responsible for payment of secondary Class 1 national insurance contributions for the employee. The principal effect of these Regulations is to provide that paragraph 9 of Schedule 3 only applies to employed mariners if their employment duties are performed wholly or mainly in category A, B, C or D waters. Those waters are excluded from the meaning of "sea" in regulations made, or treated as made, under section 85 of the Merchant Shipping Act 1995.

Regulation 1 provides for citation and commencement.

Regulations 2 to 5 amend the Social Security (Categorisation of Earners) Regulations 1978.

Copies of Merchant Shipping Notice MSN 1776 (M) can be obtained from the Maritime and Coastal Agency (Communication and Innovation Branch), Spring Place, 105 Commercial Road, Southampton, SO15 1EG.

A regulatory impact assessment is available on the Inland Revenue website www.inlandrevenue.gov.uk or by post from Room 65, New Wing, Somerset House, Strand, London WC2R 1LB.

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