

2006 No. 2829

SOCIAL SECURITY

**The Social Security (Contributions) (Amendment No. 5)
Regulations 2006**

<i>Made</i> - - - -	<i>25th October 2006</i>
<i>Laid before Parliament</i>	<i>26th October 2006</i>
<i>Coming into force</i> - -	<i>16th November 2006</i>

The Treasury make these Regulations in exercise of the powers conferred by section 3(2) and (3) of the Social Security Contributions and Benefits Act 1992(a) and section 3(2) and (3) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(b) and, in each case, now vested in them.

The Secretary of State and the Department for Social Development(c) concur in the making of these Regulations.

Citation and commencement

1. These Regulations may be cited as the Social Security (Contributions) (Amendment No. 5) Regulations 2006 and shall come into force on 16th November 2006.

Amendment of Part 6 of Schedule 3 to the Social Security (Contributions) Regulations 2001

2. Amend Part 6 of Schedule 3 to the Social Security (Contributions) Regulations 2001(d) (payments disregarded for the purposes of earnings-related contributions) as follows.

3.—(1) Amend paragraph 3(e) (pensions and pension contributions: migrant member relief and corresponding relief) as follows.

(2) At the end of the heading to the paragraph add “etc.”.

(3) Renumber the existing paragraph as sub-paragraph (1) of that paragraph.

(4) Amend sub-paragraph (1) as follows—

(a) at the end of paragraph (a) add “and any benefit referable to that contribution”

(b) at the end of paragraph (b) add “and any benefit referable to that contribution”,

(a) 1992 c. 4. Section 3 has been amended: the relevant amendment is that made by paragraph 3 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2).

(b) 1992 c. 7. Section 3 has been amended: the relevant amendment is that made by paragraph 4 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671).

(c) The functions of the Department of Health and Social Services for Northern Ireland under the Social Security Contributions and Benefits (Northern Ireland) Act 1992 were transferred to the Department for Social Development by Article 8(b) of, and Part 2 of Schedule 6 to, the Departments (Transfer and Assignment of Functions) Order (Northern Ireland) 1999 (S.R. 1999 No. 481).

(d) S.I. 2001/1004.

(e) Paragraph 3 was substituted by regulation 8(3) of S.I.2006/576.

- (c) after paragraph (b) omit “or” and insert—
 - “(ba) an employer’s contribution to a pension scheme established by a government outside the United Kingdom for the benefit of its employees or primarily for their benefit, and any benefit referable to such a contribution (whenever made);”;
- (d) omit paragraph (c);
- (e) after paragraph (c) add—
 - “(d) benefits from a pension scheme which are referable to contributions made before 6th April 2006, provided that section 386 of ITEPA 2003 did not apply to those contributions by virtue of section 390 of that Act; or
 - (e) benefits subject to the unauthorised payment charge imposed by section 208 of the Finance Act 2004 as applied to a relevant non-UK scheme by virtue of paragraph 1 of Schedule 34 to that Act.”.

(5) At the end of the paragraph add—
“(2) Expressions defined in Schedule 34 to the Finance Act 2004 have the same meaning in this paragraph as they have there.”.

4.—(1) Amend paragraph 11 (superannuation funds to which section 615(3) of the Taxes Act applies)(a) as follows.

- (2) After “and a payment by way of” insert “a pension or”.
- (3) Omit “from which” to the end.

Alan Campbell
Frank Roy

25th October 2006 Two of the Lords Commissioners for Her Majesty’s Treasury

The Secretary of State concurs.

James Purnell
Minister of State,

21st October 2006 Department for Work and Pensions

The Department for Social Development concurs.
Sealed with the Official Seal of the Department for Social Development on 20th October 2006.



John O’Neill
Senior Officer of the Department for Social Development

(a) Paragraph 11 was inserted by regulation 8(7) of S.I. 2006/576.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend Part 6 of Schedule 3 to the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004) as amended by S.I. 2006/576. Part 6 deals with miscellaneous disregards, in computing an employed earner's earnings, in respect of pension contributions and pension payments.

Regulation 1 provides for the citation and commencement of the instrument.

Regulation 2 introduces the amendments.

Regulation 3 further amends paragraph 3 of Part 6 to extend the list of situations in which contributions to, and payments from, registered pension schemes and relevant non-UK schemes (in each case within the meaning of Part 4 of the Finance Act 2004) fall to be disregarded.

Regulation 4 extends the disregard in respect of superannuation funds established in the United Kingdom to which section 615(3) of the Income and Corporation Taxes Act 1988 applies so as to cover both contributions to, and pensions payable by, such funds.

These Regulations do not impose new costs on business.

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£3.00

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E1333 10/2006 161333T 19585