
STATUTORY INSTRUMENTS

2010 No. 721

**The Social Security (Contributions)
(Amendment No. 4) Regulations 2010**

PART 2

Collection of Class 1, 1A and 1B contributions: penalties

Penalties for failure to make payments of Class 1, 1A and 1B contributions on time

3. After regulation 67 insert—

“Penalty for failure to make payments on time: Class 1 contributions

67A. Schedule 56 to the Finance Act 2009⁽¹⁾ (“Schedule 56 FA 2009”) (penalty for failure to make payments on time) shall apply in relation to the late payment of Class 1 contributions, as if—

- (a) the Class 1 contributions were an amount of tax falling within item 2 of the Table in paragraph 1 of Schedule 56 FA 2009 (“the Table”),
- (b) references to the PAYE Regulations were references to these Regulations, and
- (c) references to “an assessment or determination” in item 24 of the Table were references to a decision made under section 8(1)(c) of the Social Security Contributions (Transfer of Functions, etc) Act 1999⁽²⁾.

Penalty for failure to make payments on time: Class 1A and Class 1B contributions

67B. Schedule 56 to the Finance Act 2009 (“Schedule 56 FA 2009”) shall apply in relation to the late payment of Class 1A and Class 1B contributions, as if—

- (a) the Class 1A and Class 1B contributions were an amount of tax falling within item 3 of the table in paragraph 1 of Schedule 56 FA 2009,
- (b) in the case of Class 1B contributions, the reference to “amount shown in return under section 254(1) of FA 2004” was a reference to the amount payable under section 10A of the Act⁽³⁾, and

(1) 2009 c.10.

(2) 1999 c.2.

(3) 1992 c.4; section 10A was inserted by section 53 of the Social Security Act 1998 (c.14) and amended by paragraph 11 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc) Act 1999 (c.2), section 77 of the Welfare Reform and Pensions Act 1999 (c.30), paragraph 3 of Schedule 1 to the National Insurance Contributions Act 2002 (c.19), paragraph 177 of Schedule 6 to the Income Tax (Earnings and Pensions) Act 2003 (c.1) and paragraph 1 of Schedule 1 to the National Insurance Contributions and Statutory Payments Act 2004 (c.3). “The Act” is defined in regulation 1(2) of the Social Security (Contributions) Regulations 2001 as the Social Security Contributions and Benefits Act 1992. In accordance with regulation 156(3), a reference in those Regulations to a provision of that Act is to be construed, so far as necessary, as including a reference to the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

- (c) the reference to section 254(5) of the Finance Act 2004⁽⁴⁾ was a reference to these Regulations.”.

Penalties for errors in Class 1A returns and decisions

4. For regulation 81(1) (penalties for failure to make returns and incorrect returns) substitute—
- “(1) Schedule 24 to the Finance Act 2007⁽⁵⁾ (penalties for errors) applies to the return of contributions referred to in regulation 80(1) (return by employer) as if—
- (a) Class 1A contributions were a tax; and
 - (b) that tax and the return of contributions in relation to it were listed in the table in paragraph 1 of that Schedule.
- (1A) That Schedule also applies to decisions made under section 8(1)(c) of the Social Security Contributions (Transfer of Functions, etc) Act 1999 regarding Class 1A contributions and for that purpose a reference in the Schedule to an assessment is to be treated as if it included a reference to a decision and “under-assessment” shall be construed accordingly.
- (1B) Paragraphs (6) to (9) do not apply in relation to penalties under paragraphs (1) and (1A).”.

(4) 2004 c.12.

(5) 2007 c.11. Schedule 24 was amended in particular by Schedule 40 to the Finance Act 2008 (c.9) and Schedule 57 to the Finance Act 2009 (c.10).