

2023 No. 773

SOCIAL SECURITY

**The Social Security (Contributions) (Amendment No. 5)
Regulations 2023**

<i>Made</i> - - - -	<i>6th July 2023</i>
<i>Laid before Parliament</i>	<i>10th July 2023</i>
<i>Coming into force</i> - -	<i>1st August 2023</i>

The Treasury make the following 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 now exercisable by them.

The Secretary of State and the Department for Communities 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 2023 and come into force on 1st August 2023.

Amendment of the Social Security (Contributions) Regulations 2001

2. In Part 10 of Schedule 3 to the Social Security (Contributions) Regulations 2001 (payments to be disregarded in the calculation of earnings for the purposes of earnings-related contributions)(c) after paragraph 26 insert—

“Post Office Horizon Shortfall Scheme compensation payments

27.—(1) A top-up payment made by Post Office Limited to a recipient of a compensation payment from the Horizon Shortfall Scheme for the purpose of topping-up that compensation payment to account for sums lost to tax.

(a) 1992 c. 4. Section 3(2) was amended by paragraph 3 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), so that the power to make regulations became exercisable by the Treasury with the concurrence of the Secretary of State.

(b) 1992 c. 7 (“the 1992 NI Act”). Section 3(2) was amended by paragraph 4 of Schedule 3 to S.I. 1999/671 so that the power to make regulations became exercisable by the Treasury with the concurrence of the Department of Health and Social Services for Northern Ireland. The functions of the Department of Health and Social Services for Northern Ireland under the 1992 NI Act 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). The Department for Social Development was renamed the Department for Communities by section 1(7) of the Departments Act (Northern Ireland) 2016 (c. 5 (N.I.)).

(c) S.I. 2001/1004, relevant amending instruments are S.I. 2011/225, 2014/3159 and 2023/186.

(2) In this paragraph—

“Horizon Shortfall Scheme” means the compensation scheme created on 1st May 2020 by Post Office Limited to compensate people who were adversely affected by accounting shortfalls related to the Horizon system;

“the Horizon System” and “Post Office Limited” have the same meaning as in paragraph 26(3).”.

Steve Double
Stuart Anderson

6th July 2023

Two of the Lords Commissioners of His Majesty’s Treasury

The Secretary of State concurs.

Signed by the authority of the Secretary of State for Work and Pensions.

Guy Opperman
Minister of State

6th July 2023

Department for Work and Pensions

The Department for Communities concurs.

Sealed with the Official Seal of the Department for Communities on 6th July 2023.

David Tarr
A senior officer of the Department for Communities

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004) to provide that Horizon Shortfall Scheme top-up payments will be disregarded in the calculation of earnings for the purpose of establishing liability to Class 1 National Insurance contributions.

Horizon Shortfall Scheme top-up payments are made by Post Office Limited to persons who were adversely affected by accounting shortfalls related to the Horizon system for the purpose of topping-up that compensation payment to account for sums lost to tax.

A Tax Information and Impact Note has not been prepared for this instrument because it contains no substantive changes to NICs policy.

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