

2024 No. 187

SOCIAL SECURITY

**The Social Security (Contributions) (Amendment) Regulations
2024**

<i>Made</i> - - - -	<i>21st February 2024</i>
<i>Laid before Parliament</i>	<i>22nd February 2024</i>
<i>Coming into force</i> - -	<i>14th March 2024</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 now exercisable by them.

Citation and commencement

1. These Regulations may be cited as the Social Security (Contributions) (Amendment) Regulations 2024 and come into force on 14th March 2024.

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 27 insert—

“Group Litigation Order nominated individual compensation payments, onward payments of Post Office compensation payments, Post Office Process Review Scheme compensation payments and Suspension Remuneration Review compensation payments

28.—(1) A payment made by the Department for Business and Trade to a nominated individual under the Group Litigation Order compensation scheme.

(2) A payment that is a relevant onward payment of a—

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- (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. 2023/186 and 2023/773.

- (a) Group Litigation Order compensation scheme payment,
 - (b) Horizon Shortfall Scheme top-up payment made 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,
 - (c) Suspension Remuneration Review compensation payment, or
 - (d) Post Office Process Review Scheme compensation payment.
- (3) A payment made by Post Office Limited under the Post Office Process Review Scheme.
- (4) A payment (including any top-up payment) made by Post Office Limited under the Suspension Remuneration Review.
- (5) In this paragraph—

“Group Litigation Order compensation scheme” means the scheme announced by His Majesty’s Government on 22 March 2022 with the objective of ensuring that persons who were party to a claim against Post Office Limited in respect of the Horizon system that was subject to a group litigation order have access to compensation for losses related to that system;

“Horizon Shortfall Scheme” has the same meaning as in paragraph 27(2);

“the Horizon system” has the same meaning as in paragraph 26(3);

“nominated individual” means any person who was a shareholder or a director of a company or a partner in a partnership which ceased to exist and was a party to a claim against Post Office Limited in respect of the Horizon system that was subject to a group litigation order;

“Post Office Limited” has the same meaning as in paragraph 26(3);

“Post Office Process Review Scheme” means the review established by Post Office Limited to provide redress to postmasters who were financially impacted by previous processes or policies in relation to balance discrepancies unrelated to the Horizon system;

“relevant onward payment” means a payment made by a company who receives a compensation payment, to an individual who is or was a director or employee of the company and it is reasonable to conclude from the circumstances that the payment is made by the company to the individual for the purpose of passing on all or part of the compensation payment to the individual;

“Suspension Remuneration Review” means the review established by Post Office Limited to provide redress to postmasters contracted to deliver Post Office services through branches who were suspended before March 2019 and did not receive remuneration during their period of suspension.”.

Scott Mann
Amanda Milling

21st February 2024

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.

Jo Churchill
Minister for Employment
Department for Work and Pensions

20th February 2024

The Department for Communities concurs.

Sealed with the Official Seal of the Department for Communities on 20th February 2024.



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 a payment under the Group Litigation Order compensation scheme to a nominated individual, relevant onward payments of Post Office compensation payments, Process Review Scheme compensation payments and Suspension Remuneration Review compensation payments will be disregarded in the calculation of earnings for the purpose of establishing liability to Class 1 National Insurance contributions.

Group Litigation Order compensation payments can be made by the Department for Business and Trade to a nominated individual who was a shareholder, director or partner of a company or partnership that has ceased to exist and was a party to a claim against Post Office Limited in respect of the Horizon system that was subject to a group litigation order.

Relevant onward payments are payments made by a company who is a recipient of a specified compensation payment to an individual who is or was a director or employee of that company for the purpose of passing on all or part of that compensation payment to that individual.

Process Review Scheme compensation payments are made by Post Office Limited to postmasters who were financially impacted by previous processes or policies in relation to balance discrepancies unrelated to the Horizon system.

Suspension Remuneration Review compensation payments are made by Post Office Limited to postmasters contracted to deliver Post Office services through branches who were suspended before March 2019 and did not receive remuneration during their period of suspension.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

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£5.78

<http://www.legislation.gov.uk/id/uksi/2024/187>

ISBN 978-0-34-825784-7



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