

2005 No. 778

SOCIAL SECURITY

The Social Security (Contributions) (Amendment No.3) Regulations 2005

<i>Made</i> - - - -	<i>17th March 2005</i>
<i>Laid before Parliament</i>	<i>17th March 2005</i>
<i>Coming into force</i> -	<i>6th April 2005</i>

The Treasury, with the concurrence of the Secretary of State insofar as required, in exercise of the powers conferred upon them by sections 3(2) and (3), 10(9), 13(1) and (7), 14(1) and 175(3) and (4) of the Social Security Contributions and Benefits Act 1992(a) and, with the concurrence of the Department for Social Development insofar as required, in exercise of the powers conferred upon them by sections 3(2) and (3), 10(9), 13(1) and (7), 14(1) and 171(3) and (4) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(b) make the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Contributions) (Amendment No. 3) Regulations 2005 and shall come into force on 6th April 2005.

(2) In these Regulations, “the principal Regulations” means the Social Security (Contributions) Regulations 2001(c).

[Regulations 2 - 9 make various amendments to S.I. 2001/1004.]

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- (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: “the Transfer Act”). Section 10 was substituted by section 74(2) of the Child Support, Pensions and Social Security Act 2000 (c. 19: “the 2000 Act”), and amended by paragraphs 1 and 2 of Schedule 1 to the National Insurance Contributions Act 2002 (c. 19: “the 2002 Act”) and paragraph 174 of Schedule 6, and the relevant entry in Part 1 of Schedule 8, to the Income Tax (Earnings and Pensions) Act 2003 (c. 1: “ITEPA”). Section 13 has been amended: the relevant amendment is that made by paragraph 14 of Schedule 3 to the Transfer Act. Section 14 has been amended: the relevant amendment is that made by paragraph 15 of Schedule 3 to the Transfer Act. Section 175 has been amended: the relevant amendments are those made by paragraph 29 of Schedule 3 to the Transfer Act and the relevant entry in Schedule 6 to the Tax Credits Act 2002.
- (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: “the Transfer Order”). Section 10 was substituted by section 78 of the 2000 Act and amended by paragraph 21 of Schedule 1 to the 2002 Act and paragraph 195 of Schedule 6, and the relevant entry in Part 1 of Schedule 8 to ITEPA. Section 13 has been amended: the relevant amendment is that made by paragraph 15 of Schedule 3 to the Transfer Order. Section 14 has been amended: the relevant amendment is that made by paragraph 16 of Schedule 3 to the Transfer Order. The functions of the Department of Health and Social Services for Northern Ireland 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). Section 171 has been amended: the relevant amendment is that made by paragraph 28 of Schedule 3 to the Transfer Order.
- (c) S.I. 2001/1004.

Reg. 10 substituted by
reg. 4 of S.I. 2005/1086
as from 5.4.05.

► **Transitional provision**

10.—(1) In relation to qualifying childcare vouchers provided during the period beginning on 6th April 2005 and ending on 5th October 2005 (“the transitional period”), paragraph 7(3) of Part 5 of Schedule 3 to the principal Regulations shall have effect as if, for the purposes of paragraph (a) of QW, the number of qualifying weeks were 26.

This is subject to the following qualification.

(2) The sum of the exempt amounts which may be disregarded, in computing earnings during the transitional period, by virtue of paragraph 7(3) of Part 5 of Schedule 3 to the principal Regulations, as modified by paragraph (1) above, shall not exceed £1,300. ◀

Revocation

11. Regulation 28(3)(d) of the Social Security (Contributions, Categorisation of Earners and Intermediaries) (Amendment) Regulations 2004(a) (which is spent by virtue of the substitution made by regulation 9(2) of this instrument) is revoked.

Jim Murphy

Nick Ainger

16th March 2005

Two of the Lords Commissioners of Her Majesty’s Treasury

The Secretary of State concurs.

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

Malcolm Wicks

Minister of State,

Department for Work and Pensions.

17th March 2005

The Department for Social Development concurs. Sealed with the Official Seal of the Department for Social Development on 16th March 2005.

John O’Neill

16th March 2005

Senior Officer of the Department for Social Development

(a) S.I. 2004/770.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004: “the principal Regulations”).

Regulation 1 provides for citation and commencement.

Regulation 2 introduces the amendments to the principal Regulations.

Regulation 3 amends the list of definitions in regulation 1 of the principal Regulations, inserting new definitions of “the acquired gender” and “full gender recognition certificate”.

Regulation 4 amends regulation 8 of the principal Regulations to make provision for the earnings periods of a person who was born a woman, is a company director, and is aged between 60 and 64 when a full gender recognition certificate is issued recognising the person’s gender as male.

Regulation 5 amends regulation 40 of the principal Regulations, bringing the treatment of childcare provision, for Class 1A National Insurance Contributions purposes more closely into line with the treatment for income tax purposes.

Regulation 6 amends regulation 49 of the principal Regulations to permit the payment of a Class 3 contribution in the case of a person who was born a woman and is aged between 60 and 64 when a full gender recognition certificate is issued recognising the person’s gender as male. The amendment permits the payment of Class 3 contributions for the years beginning with that in which the person reached the age of 60 and ending with the year in which the gender recognition certificate was issued.

Regulation 7 inserts a new regulation 65B into the principal Regulations. This prescribes that the amount of a Class 3 contribution paid by virtue of regulation 49(2B) of the principal Regulations (inserted by regulation 6(3) of this instrument) paid in the year in which a gender recognition certificate is issued or in the following year shall be the amount prescribed for the year to which the contribution relates.

Regulation 9 amends Schedule 3 to the principal Regulations. Paragraph (2) of the regulation substitutes a new paragraph 7 in Part 5 of that Schedule, bringing the treatment of qualifying childcare vouchers for contributions purposes into line (so far as practicable) with their treatment for tax purposes. Paragraph (3) adds a reference to double taxation convention with the United States to the list of such conventions under which contributions to pension schemes are disregarded for National Insurance contributions purposes.

Regulation 10 makes transitional provision in respect of the introduction of the new treatment of qualifying childcare vouchers.

Regulation 11 revokes a previous amendment to paragraph 7 of Part 5 of Schedule 3 to the 2001 Regulations.

A full regulatory impact assessment in respect of the childcare aspects of these Regulations was prepared by the Inland Revenue in April 2004 and is available on the Inland Revenue website at www.inlandrevenue.gov.uk/ria/emp-supp-childcare.pdf. The other provisions of these Regulations do not impose new costs on business.

