

1999 No. 561

SOCIAL SECURITY

**The Social Security (Contributions) Amendment
Regulations 1999**

Made - - - - 5th March 1999
Laid before Parliament 9th March 1999
Coming into force in accordance with regulation 1

The Secretary of State for Social Security, in exercise of powers conferred by sections 3(2), (2A)(a) and (3), 122(1) and 175(1) to (3) of the Social Security Contributions and Benefits Act 1992(b) and of all other powers enabling him in that behalf, after reference to the Social Security Advisory Committee(c), hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Contributions) Amendment Regulations 1999 and shall come into force—

- (a) for the purposes of regulation 3, on 6th April 1999 immediately after the coming into force of regulation 8 of The Social Security (Contributions and Credits) (Miscellaneous Amendments) Regulations 1999(d);
- (b) for all other purposes, on 6th April 1999.

(2) In these Regulations “the principal Regulations” means the Social Security (Contributions) Regulations 1979(e).

[Regulations 2 - 5 amend regulations 1(2), 18, 19 and Schedule 1 of S.I. 1979/591]

Signed by authority of the Secretary of State for Social Security.

5th March 1999

Stephen C. Timms
Minister of State,
Department of Social Security

(a) Subsection (2A) was inserted by section 48 of the Social Security Act 1998 (c. 14).

(b) 1992 c. 4. Section 122(1) is cited because of the meaning ascribed to the word “prescribe”.

(c) See section 172(1) of the Social Security Administration Act 1992 (c. 5).

(d) S.I. 1999/568.

(e) S.I. 1979/591; the relevant amending instruments are S.I. 1991/2505, 1993/2925, 1994 2194, 1995/1003, 1996/3031 and 1998/2211 and 2894.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Social Security (Contributions) Regulations 1979 (“the principal Regulations”).

Regulation 2 amends regulation 1(2) of the principal Regulations by inserting a definition of “non-cash voucher”.

Regulation 3 amends regulation 18 of the principal Regulations to provide for the calculation of earnings in respect of a payment in the form of a non-cash voucher which is not otherwise disregarded as earnings in accordance with the provisions of regulation 19(1)(d) of, and the new Schedule 1C to, the principal Regulations.

Regulation 3(2) inserts a new sub-paragraph (c) into regulation 18(8) of the principal Regulations to provide for the calculation of earnings comprised in any payment by way of a non-cash voucher not otherwise exempt from earnings which a voucher within paragraph 9B of Schedule 1A to the principal Regulations which is not capable of being exchanged for a readily convertible asset within Schedule 1B to the principal Regulations.

Regulation 3(3) substitutes sub-paragraphs (a) and (b) of regulation 18(9) of the principal Regulations to provide for the calculation of earnings comprised in any payment by way of a non-cash voucher not otherwise exempt from earnings which is a voucher within paragraph 9B of Schedule 1A to the principal Regulations which is capable of being exchanged for a readily convertible asset within Schedule 1B to the principal Regulations. Regulation 3(4) makes consequential amendments.

Regulation 3(5) amends regulation 18 of the principal Regulations by adding new paragraph (16) which provides for the calculation of a person’s earnings comprised in any payment by way of a non-cash voucher which are not otherwise to be calculated in accordance with the substituted paragraph (8) or (9). New paragraph (17) makes incidental provision for the purposes of new paragraph (16). New paragraph (18) provides for the calculation of each person’s earnings comprised in any payment by way of a non-cash voucher made available to two or more persons. New paragraph (19) makes incidental provision for the purposes of new paragraph (18).

Regulation 4 amends regulation 19(5) of the principal Regulations by adding new sub-paragraph (c) to limit the application of regulation 19(1)(d) of the principal Regulations by providing that that regulation shall not include any payment by way of any non-cash voucher not falling within the new Schedule 1C to the principal Regulations.

Regulation 5 inserts new Schedule 1C to the principal Regulations.

The Report of the Social Security Advisory Committee dated 27th January 1999 on the proposals referred to them in these Regulations, together with a statement showing the extent to which these Regulations give effect to the Recommendations of the Committee, and in so far as they do not give effect to them, the reasons why not, are contained in Command paper Cm. 4281, published by The Stationery Office Limited.

The costs to business of these amendments were covered in the Regulatory Impact Assessment for the Social Security Act 1998 in accordance with, and in consequence of which, these Regulations are made. A copy of that Regulatory Impact Assessment has been placed in the libraries of both Houses of Parliament and can be obtained from Department of Social Security, Better Regulation Unit, 3rd Floor, Adelphi, 1-11 John Adam Street, London WC2N 6HT.