

1999 No. 568

SOCIAL SECURITY

The Social Security (Contributions and Credits)
(Miscellaneous Amendments) Regulations 1999

Made - - - - 5th March 1999

Laid before Parliament 15th March 1999

Coming into force in accordance with regulation 1

The Secretary of State for Social Security, with the concurrence of the Inland Revenue in so far as required(a), in exercise of powers conferred by sections 3(2), (2A)(b), (3) and (5)(c), 5(1), 6(1), 8(1), 9(1), 14(1), 17(1) and (2), 19(1) to (3), 22(5), 119, 122(1) and 175(1) to (4) of, and paragraphs 4(a), 6(1) and 8(1)(a), (m) and (q) of Schedule 1 to, the Social Security Contributions and Benefits Act 1992(d) and section 162(12) of the Social Security Administration Act 1992(e) and of all other powers enabling him in that behalf, after agreement by the Social Security Advisory Committee that proposals to make these Regulations should not be referred to it(f) in so far as they relate to matters which are not otherwise exempt from the requirement of referral to the Committee by virtue of section 173(5)(a)(g) of the Social Security Administration Act 1992, hereby makes the following Regulations:

Citation, commencement and interpretation

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

- (a) for the purposes of regulations 8 and 9(2) and (3), on 6th April 1999 immediately after the coming into force of regulations 2(6), 3(2)(b) and (3) respectively of the Social Security Contributions, Statutory Maternity Pay and Statutory Sick Pay (Miscellaneous Amendments) Regulations 1999(h);
- (b) for all other purposes, on 6th April 1999.

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

(a) See paragraph 6(1) of Schedule 1 to the Social Security Contributions and Benefits Act 1992 (c.4).

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

(c) Section 3(5) is inserted by section 49 of the Social Security Act 1998.

(d) Sections 5(1), 6(1), 8(1) and 9 were substituted by section 51(1) to (4) of the Social Security Act 1998 respectively; section 22(5) was amended by paragraph 22 of Schedule 2 to the Jobseekers Act 1995 (c.18); section 122(1) is cited because of the meaning ascribed to the word “prescribe”; paragraph 6(1) of Schedule 1 was amended by paragraph 77(8) of Schedule 7 to the Social Security Act 1998.

(e) 1992 c.5.

(f) See section 173(1)(b) of the Social Security Administration Act 1992.

(g) See regulation 8 of these Regulations which adds paragraph (21) to regulation 18 of the Social Security Contributions Regulations 1979 (S.I. 1979/591).

(h) S.I. 1999/567.

(i) The relevant amending instruments are S.I. 1981/82, 1982/206 and 1033, 1983/395, 1984/77, 1985/396, 397, 398 and 1398, 1987/413 and 2111, 1989/345 and 1677, 1990/605, 1991/640 and 1935, 1992/97 and 1440, 1996/777 and 2407, 1998/523 and 2211 and 1999/567.

SOCIAL SECURITY (**CONTRIBUTIONS** AND CREDITS)
(MISCELLANEOUS AMENDMENTS) REGULATIONS 1999

[Regulations 2 - 20 amend regulations 1, 7, 8, 8A, 9, 17, 18, 19, 28, 32, 32A, 36, 49, 61, 67, 121, 134 and Sch 1 paragraphs 2(1), 13, 25(a)(ii) and 30A(2) 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

The Commissioners of Inland Revenue hereby concur.

5th March 1999

Two of the Commissioners of Inland Revenue

S. C. T. Matheson
Tim Flesher

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Social Security (Contributions) Regulations 1979 (“the principal Regulations”) and the Social Security (Credits) Regulations 1975.

Regulation 2(2) substitutes the definitions of “contracted-out rate”, “non-contracted-out-rate”, “normal percentage” and “secondary contributor” and inserts a definition of “retirement benefits scheme”.

Regulation 3 substitutes regulation 7 of the principal Regulations to specify the lower earnings limit, upper earnings limit and earnings threshold for the tax year beginning on 6th April 1999.

Regulation 4 substitutes regulation 8 of the principal Regulations to provide for the computation of primary and secondary Class 1 contributions where an employed earner’s earnings period is other than a week.

Regulation 5 revokes regulation 8A of the principal Regulations which provided for equivalent earnings brackets for earners paid otherwise than weekly.

Regulation 6 amends regulation 9 of the principal Regulations by substituting paragraph (1) to provide for the calculation of primary and secondary Class 1 contributions at the normal and contracted-out rate.

Regulation 7 substitutes regulation 17 of the principal Regulations to specify that liability in any year for primary Class 1 contributions, and in certain cases Class 2 contributions, shall not exceed an amount calculated in accordance with that regulation.

Regulation 8 is made before the end of the period of 6 months beginning with the coming into force of section 48 of the Social Security Act 1998 on 8th September 1998 and is therefore exempt, by virtue of section 173(5)(a) of the Social Security Administration Act 1992 (c. 5) from reference to the Social Security Advisory Committee and has not been so referred. Regulation 8 amends regulation 18 of the principal Regulations by adding new paragraph (21) which provides for the calculation of a person's earnings in respect of a payment pursuant to a retirement benefits scheme in relation to more than one person.

Regulation 9 amends regulation 19 of the principal Regulations (payments to be disregarded). Regulation 9(2) adds five new sub-paragraphs (zn) to (zr).

New sub-paragraph (zn) relates to payments to, and payments by way of benefits pursuant to, retirement benefits schemes referred to in section 596(1) or (2)(b) of the Income and Corporation Taxes Act 1988, pilots' benefit funds and superannuation funds approved before 6th April 1980. New sub-paragraph (zo) relates to a payment by way of relevant benefits attributable to payments prior to 6th April 1998 and pursuant to a retirement benefits scheme which was not approved by the Board of Inland Revenue.

New sub-paragraph (zp) relates to a payment by way of any benefit pursuant to a retirement benefits scheme which was not approved by the Board of Inland Revenue and attributable to payments on or after 6th April 1998 which have already been included in a person's earnings for the purposes of his assessment of earnings-related contributions, new sub-paragraph (zq) relates to a payment made to a scheme established for the sole purpose of providing relevant benefits where, at the time of payment, certain conditions are satisfied and new sub-paragraph (zr) to payments to pension schemes which are afforded relief from taxation under certain taxation Conventions.

Regulation 9(3) makes incidental provision for the purposes of new sub-paragraph (zq).

Regulation 12 inserts a new regulation 32A into the principal Regulations which provides for the return, upon application, of earnings-related contributions paid in respect of a payment made to a retirement benefits scheme prior to it obtaining Inland Revenue approval for the period in respect of which that approval is subsequently given.

Regulation 15 amends regulation 61 of the principal Regulations to provide for the calculation of an exception from liability to pay Class 4 contributions.

Regulation 19 amends Schedule 1 to the principal Regulations. Regulation 19(3) substitutes paragraph (6) of Regulation 13 of Schedule 1. New paragraph (6) requires deductions working sheets to be maintained in respect of employed earners and specifies the details to be recorded thereon. Regulation 19(5) amends Regulation 30(1) of Schedule 1 to specify the details to be recorded on a return made by an employer at the end of a tax year.

Regulation 20 makes consequential amendments to regulations 22(1) and 9(a) of the Social Security (Credits) Regulations 1975.

Consequential amendments to regulations 28, 32, 36, 49, 67, 121 and 134 of, and Regulations 2(1), 25 and 30A of Schedule 1 to, the principal Regulations are made by regulations 10, 11, 13, 14, 16, 17, 18 and 19(2), (4) and (6) respectively.

The costs to business of these amendments were covered in the Regulatory Impact Assessment for the Social Security Act 1998 and in respect of regulations 8 and 9 in a further Regulatory Impact Assessment. A copy of these Assessments can be obtained from Department of Social Security, Better Regulation Unit, Level 3, The Adelphi, 1-11 John Adam Street, London WC2N 6HT. A copy of both Assessments has been placed in the libraries of both Houses of Parliament.

