2007 No. 2071

SOCIAL SECURITY

The Social Security Contributions and Benefits Act 1992 (Modification of Section 4A) Order 2007

Made - - - -	*23rd July 2007*
Laid before Parliament	*23rd July 2007*
Coming into force -	*24th July 2007*

The provisions of Part 2 of the Income Tax (Earnings and Pensions) Act 2003(**a**) are modified by paragraphs 3 and 4 of Schedule 3 to the Finance Act 2007(**b**).

It appears to the Treasury to be expedient, in consequence of those modifications, to modify the provisions of section 4A of the Social Security Contributions and Benefits Act 1992(**c**) which precede subsection (9) for the purpose of assimilating the law relating to income tax and the law relating to contributions under Part 1 of that Act.

This Order contains modifications which the Treasury think appropriate in consequence of the first recital above.

Accordingly, the Treasury make the following Order in exercise of the power conferred upon them by section 4A(9) of the Social Security Contributions and Benefits Act 1992.

The Secretary of State concurs in the making of this Order.

Citation and commencement

1. This Order may be cited as the Social Security Contributions and Benefits Act 1992 (Modification of Section 4A) Order 2007 and shall come into force on 24th July 2007.

[Article 2 makes amendments to section 4A of the Social Security Contributions and Benefits Act 1992.]

Dave Watts
Frank Roy
23rd July 2007 Two of the Lords Commissioners for Her Majesty's Treasury

(**a**) 2003 c. 1 (referred to below as "ITEPA 2003").
(**b**) 2007 c. 11.
(**c**) 1992 c. 4. Section 4A was inserted by section 75 of the Welfare Reform and Pensions Act 1999 (c. 30) and amended by paragraph 289 of Schedule 1 to the Income Tax Act 2007 (c. 3). It has previously been modified by S.I. 2003/1874.

The Secretary of State concurs.

Peter Hain
23rd July 2007 Secretary of State for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Order)

This Order modifies section 4A of the Social Security Contributions and Benefits Act 1992 in consequence of the modifications made to the provisions of the Income Tax (Earnings and Pensions) Act 2003 ("ITEPA") by paragraphs 3 and 4 of Schedule 3 to the Finance Act 2007 (c. 11). Those paragraphs extend the scope of Part 2 to managed service companies. Chapter 9 of that Part contains the substantive provisions on the provision of workers' services through managed service companies.

The effect of this Order is to secure, so far as appropriate, that workers and their earnings are treated, where their services are provided through a managed service company, as if they were employed by the managed service company.

Article 1 provides for the citation and commencement of the Order.

Article 2 effects the modifications of section 4A.

A full Regulatory Impact Assessment was published by HM Revenue and Customs and is available on their website at www.hmrc.gov.uk/ria/full-ria-man-serv-coys.pdf or from the Ministerial Correspondence Unit, HM Revenue and Customs, Yorke House, Castle Meadow, Nottingham. It is also annexed to the Explanatory Memorandum to the Income Tax (Pay As You Earn) (Amendment No. 2) Regulations 2007 (S.I. 2007/2069) which is available alongside those Regulations on the OPSI website.