STATUTORY INSTRUMENTS

2013 No. 2301

SOCIAL SECURITY

The Social Security (Contributions) (Amendment No. 4) Regulations 2013

Made - - - -	*11th September 2013*
Laid before Parliament	*11th September 2013*
Coming into force - -	*6th October 2013*

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by paragraph 6(1) and (2) of Schedule 1 to the Social Security Contributions and Benefits Act 1992(**a**) and by paragraph 6(1) and (2) of Schedule 1 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**b**) and now exercisable by them(**c**).

Citation, commencement, effect and interpretation

1.—(1) These Regulations may be cited as the Social Security (Contributions) (Amendment No. 4) Regulations 2013 and come into force on 6th October 2013.

(2) Regulation 3 has effect in relation to any payment of general earnings made in the period beginning on 6th October 2013 and ending on 5th April 2014.

(3) In paragraph (2) "general earnings" has the meaning given in paragraph 1(2) of Part 1 of Schedule 4 to the Social Security (Contributions) Regulations 2001 (provisions derived from the Income Tax Acts and the Income Tax (Pay As You Earn) Regulations 2003)(**d**).

Amendment of the Social Security (Contributions) Regulations 2001

2. Schedule 4 to the Social Security (Contributions) Regulations 2001 (provisions derived from the Income Tax Acts and the Income Tax (Pay As You Earn) Regulations 2003) is amended as provided for in regulations 3 and 4.

3. In paragraph 21A (real time returns of information about payments of general earnings)(**e**)—

(**a**) 1992 c. 4. Paragraph 6(1) and (2) was amended by paragraph 77 of Schedule 7 to the Social Security Act 1998 (c. 14). Paragraph 6(1) was amended by paragraph 35 of Schedule 3 to the Social Security (Transfer of Functions, etc.) Act 1999 (c. 2) (so that the power to make regulations became exercisable by the Inland Revenue) and by paragraph 185 of Schedule 6 to the Income Tax (Earnings and Pensions) Act 2003 (c. 1) ("ITEPA 2003").

(**b**) 1992 c. 7. Paragraph 6(1) and (2) was amended by paragraph 58(8) and (9) of Schedule 6 to the Social Security (Northern Ireland) Order 1998 (S.I. 1998/1506 (N.I. 10)). Paragraph 6(1) was amended by paragraph 34 of Schedule 3 to the Social Security (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671) (so that the power to make regulations became exercisable by the Inland Revenue) and by paragraph 185 of Schedule 6 to ITEPA 2003.

(**c**) The functions of the Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(1) of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50(1) of that Act provides that, in so far as is appropriate in consequence of section 5, a reference, howsoever expressed, to the Commissioners of Inland Revenue is to be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.

(**d**) S.I. 2001/1004. Relevant amending instruments are S.I. 2012/821 and 2013/622.

(**e**) Paragraph 21A was inserted by S.I. 2012/821.

(a) at the beginning of sub-paragraph (1) insert "Subject to sub-paragraphs (1A) and (1B),"; and

(b) after sub-paragraph (1) insert—

"(1A) In the period from 6th October 2013 to 5th April 2014 a Real Time Information employer who on 6th October 2013 employs no more than 49 employees may proceed in accordance with sub-paragraph (1B).

(1B) A Real Time Information employer within sub-paragraph (1A) must deliver to HMRC the information specified in Schedule 4A by the last day of the tax month in which the payment of general earnings is made unless the employer is not required to maintain a deductions working sheet(**a**) for any employees.".

4. In paragraph 21EA (failure to make a return under paragraph 21A or 21D)(**b**)—

(a) in sub-paragraph (3) omit "before 20th May following the tax year in question"; and

(b) in sub-paragraph (6)—

(i) at the beginning insert "If a return under sub-paragraph (3) is not made before 20th May following the tax year in question"; and

(ii) for "a return under sub-paragraph (3)" substitute "that return".

Nick Lodge
Jim Harra

11th September 2013 Two of the Commissioners for Her Majesty's Revenue and Customs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend Schedule 4 to the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004) ("the principal Regulations"). That Schedule is concerned with provisions that are derived from the Income Tax (Pay As You Earn) Regulations 2003 (S.I. 2003/2682).

Paragraph 21A requires a Real Time Information employer (as defined in paragraph 1(4) and (5) of Schedule 4 to the principal Regulations) to deliver the information specified in Schedule 4A to Her Majesty's Revenue and Customs ("HMRC") on or before making a payment of general earnings. Regulation 3 amends this requirement for an employer which, as at 6th October 2013, employs no more than 49 employees. During the period beginning on 6th October 2013 and ending on 5 April 2014 those employers must deliver the information specified in Schedule 4A to the principal Regulations by the end of the tax month in which the payment is made. A tax month runs from 6th of one month to the 5th of the following month.

Regulation 4 makes an amendment to paragraph 21EA of the principal Regulations which makes provision for the situation where an employer has failed to notify the information specified in Schedule 4A on or before the payment of general earnings. Where an employer has not delivered the information before 20th May following the tax year in question, the employer will be liable to a penalty. Regulation 4 amends paragraph 21EA to clarify that where an employer does not deliver the information to HMRC until after 19th May following the tax year in question, the employer may be liable to a penalty from that date.

A Tax Information and Impact Note was published on 15th March 2012 alongside the Income Tax (Pay As You Earn) (Amendment) Regulations 2012 (S.I. 2012/822) and the Social Security (Contributions) (Amendment No. 3) Regulations (S.I. 2012/821). This was updated as a result of changes to the impacts as a result of the year long Real Time Information pilot and is available on the HMRC website at http://www.hmrc.gov.uk/thelibrary/tiins.htm. It remains an accurate summary of the impacts that apply to this instrument.

(**a**) "Deductions working sheet" is defined by paragraph 1(2) of Schedule 4.
(**b**) Paragraph 21EA was inserted by S.I. 2013/622.

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