STATUTORY INSTRUMENTS

2020 No. 923

SOCIAL SECURITY

The Social Security (Contributions) (Amendment No. 4) Regulations 2020

Made - - - -	*3rd September 2020*
Laid before Parliament	*7th September 2020*
Coming into force - -	*29th September 2020*

The Treasury, in exercise of the power conferred by section 3(2) and (3) of the Social Security Contributions and Benefits Act 1992(**a**) and now exercisable by them, makes the following Regulations.

The Secretary of State concurs to the making of these Regulations.

Citation and commencement

1. These Regulations may be cited as the Social Security (Contributions) (Amendment No. 4) Regulations 2020 and come into force on 29th September 2020.

Amendment to the Social Security (Contributions) Regulations 2001

2.—(1) Schedule 3 (payments to be disregarded etc…) to the Social Security (Contributions) Regulations 2001(**b**) is amended as follows.

(2) In Part 7 (payments in respect of training and similar courses), after paragraph 12(**c**) (payments made by employers to earners in full-time attendance at universities &c), insert—

"Payments exempted from income tax under section 254A of ITEPA 2003(**d**)

13. A care leaver's apprenticeship bursary payment which is exempted from income tax under section 254A of ITEPA 2003.".

Rebecca Harris
James Morris
3rd September 2020 — Two of the Lords Commissioners of Her Majesty's Treasury

(**a**) 1992 c. 4. Section 3(2) was amended by paragraph 3 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc) Act 1999 (c. 2), so that the power to make regulations became exercisable by the Treasury with the concurrence of the Secretary of State with effect from 1 April 1999.
(**b**) S.I. 2001/1004.
(**c**) Paragraph 12 was inserted by regulations 2 and 4 of S.I. 2005/728 with effect from 6 April 2005. The insertion has effect in relation to payments of earnings made in respect of the academic year beginning on 1 September 2005 and subsequent academic years: see regulation 1 of S.I. 2005/728. Paragraph 12 was also amended by S.I. 2007/2401.
(**d**) Section 254A of ITEPA (c.1) was inserted by section 11 of the Finance Act 2020 (c. 14).

The Secretary of State concurs.

Guy Opperman
Parliamentary Under Secretary of State
Department of Work and Pensions

3rd September 2020

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make an amendment to the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004) ("the Contributions Regulations").

Schedule 3 to the Contributions Regulations provides for certain payments to be disregarded in the calculation of earnings for the purposes of establishing liability to Class 1 National Insurance contributions (NICs).

Regulation 1 provides for citation and commencement.

Regulation 2 makes an amendment to the Contributions Regulations to take into account new tax provisions in the Income Tax (Earnings and Pensions) Act 2003 (c. 1) (ITEPA), inserted by the Finance Act 2020 (c. 14), and changes made by S.I. 2020/922. Regulation 2(2) inserts a new paragraph 13 into Part 7 of Schedule 3 to the Contributions Regulations, so that any bursary payment made by the Education and Skills Funding Agency to a care leaver apprentice, in respect of which no liability to income tax arises by virtue of section 254A of ITEPA and S.I. 2020/922, is also disregarded for the purpose of establishing liability to Class 1 NICs.

A joint Tax Information and Impact Note covering the amendment to tax and NICs policy connected to this instrument was published on 11th March 2020 and is available at https://www.gov.uk/government/publications/income-tax-and-national-insurance-exemptions-for-bursary-payments-to-care-leavers/income-tax-and-national-insurance-exemptions-for-bursary-payments-to-care-leavers. It remains an accurate summary of the impacts that apply to this instrument.

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