STATUTORY INSTRUMENTS

2019 No. 85

SOCIAL SECURITY

The Social Security (Contributions) (Amendment) Regulations 2019

Made - - - -	*22nd January 2019*
Laid before Parliament	*23rd January 2019*
Coming into force - -	*5th April 2019*

The Treasury, in exercise of the powers conferred by subsections (6) and (7) of section 4 of the Social Security Contributions and Benefits Act 1992(**a**) and subsections (6) and (7) of section 4 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**b**), make the following Regulations.

The Secretary of State and the Department for Communities(**c**) concur in the making of these Regulations.

Citation and commencement

1. These Regulations may be cited as the Social Security (Contributions) (Amendment) Regulations 2019 and come into force on 5th April 2019.

Amendment of the Social Security (Contributions) Regulations 2001

2. The Social Security (Contributions) Regulations 2001(**d**) are amended as follows.

3. After regulation 22B (amounts to be treated as earnings: Part 7A of ITEPA 2003)(**e**) insert—

(**a**) 1992 c. 4. Section 4(6) was substituted by section 74(3) of the Child Support, Pensions and Social Security Act 2000 (c. 19) ("CSPSSA 2000") and amended by paragraph 172(4) of Part 2 of Schedule 6 to the Income Tax (Earnings and Pensions) Act 2003 (c. 1) ("ITEPA 2003"). Section 4(7) was inserted by paragraph 4 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2).

(**b**) 1992 c. 7 (N.I.). Section 4(6) was substituted by section 78(3) of the CSPSSA 2000 and amended by paragraph 193(4) of Part 2 of Schedule 6 to ITEPA 2003. Section 4(7) was inserted by paragraph 5 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999/671.

(**c**) Section 170 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 defines "the Department" as referred to in s.4(7) of that Act as "the Department of Health and Social Services for Northern Ireland". The functions of the Department of Health and Social Services for Northern Ireland under the Social Security Contributions and Benefits (Northern Ireland) Act 1992 were transferred to the Department for Social Development by Article 8(b) of, and Part 2 of Schedule 6 to, the Departments (Transfer and Assignment of Functions) Order (Northern Ireland) 1999 (S.R. (NI) 1999 No 481). The Department for Social Development was renamed the Department for Communities by section 1(7) of the Departments Act (Northern Ireland) 2016 (c. 5) (N.I.).

(**d**) S.I. 2001/1004; relevant amending instruments are S.I. 2011/2700 and S.I. 2018/257. There are other amending instruments but none is relevant.

(**e**) Regulation 22B was inserted by S.I. 2011/2700 and amended by S.I. 2018/257; there are other amending instruments but none is relevant.

"**Amounts to be treated as earnings paid to or for the benefit of the earner: Schedule 11 to the Finance (No. 2) Act 2017**

22C.—(1) Where an amount is within regulation 22B(2) by reason of a relevant step within paragraph 1 of Schedule 11 (employment income provided through third parties: loans etc outstanding on 5 April 2019) to the Finance (No. 2) Act 2017(**a**) it shall be treated for the purposes of Part 1 of the Act(**b**) as being paid to or for the benefit of the employed earner in respect of the employed earner's employment at such time as the relevant step which gives rise to it is treated as being taken under paragraph 1(2) of that Schedule.

(2) In paragraph (1) "relevant step" means a relevant step for the purposes of Part 7A of ITEPA 2003(**c**).".

Mike Freer
Rebecca Harris
22nd January 2019 — Two of the Lords Commissioners of Her Majesty's Treasury

The Secretary of State concurs as indicated in the preamble

Guy Opperman
Parliamentary Under-Secretary of State for Pensions and Financial Inclusion
21st January 2019 — Department for Work and Pensions

The Department for Communities concurs as indicated in the preamble

Colum Boyle
21st January 2019 — A senior officer of the Department for Communities

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004) (the "SSCR Regulations").

Regulation 2 introduces the amendments to the SSCR Regulations.

Regulation 3 inserts a new regulation 22C in the SSCR Regulations.

New regulation 22C(1) stipulates how a specified sub-category of amounts which count as employment income of an employed earner by virtue of Chapter 2 of Part 7A of the Income Tax (Earnings and Pensions) Act 2003 ("ITEPA 2003") are to be treated for the purposes of Part 1 of both the Social Security Contributions and Benefits Act 1992 and the Social Security Contributions and Benefits (Northern Ireland) Act 1992. The specified sub-category is amounts that count as employment income of the employed earner by virtue of Chapter 2 of Part 7A of ITEPA 2003 as a result of the operation of paragraph 1 of Schedule 11 (employment income provided through third parties: loans etc outstanding on 5 April 2019) to the Finance (No. 2) Act 2017. New regulation 22C(1) makes clear that these amounts should be treated as being paid to or

(**a**) 2017 c. 32.
(**b**) See the definition of "the Act" in regulation 1(2) of the Social Security (Contributions) Regulations 2001. See also regulation 156(3) of those Regulations which has the effect that the reference to Part 1 of the Act is construed so far as necessary as including a reference to the corresponding enactment applying in Northern Ireland.
(**c**) See the definition of "ITEPA 2003" in section 122 of the Social Security Contributions and Benefits Act 1992 and section 121 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

for the benefit of the employed earner in respect of the employed earner's employment as at the time the relevant step is treated as being taken under paragraph 1(2) of Schedule 11 to the Finance (No. 2) Act 2017.

New regulation 22C(2) applies the meaning of "relevant step" in Part 7A of ITEPA 2003 to the references to "relevant step" in new regulation 22C(1).

A Tax Information and Impact Note has not been prepared for this Instrument as it contains no substantive changes to tax policy.

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