



Social Security Contributions and Benefits Act 1992

1992 CHAPTER 4

PART I

CONTRIBUTIONS

Class 4 contributions

15 **Class 4 contributions recoverable under the Income Tax Acts.**

- (1) Class 4 contributions shall be payable for any tax year in respect of all [^{F1}profits] which—
- (a) are immediately derived from the carrying on or exercise of one or more trades, professions or vocations, ^{F2}...
 - (b) [^{F3}are profits chargeable to income tax under Chapter 2 of Part 2 of the Income Tax (Trading and Other Income) Act 2005] for the year of assessment corresponding to that tax year [^{F4}and
 - (c) are not profits of a trade, profession or vocation carried on wholly outside the United Kingdom.]
- (2) Class 4 contributions in respect of profits ^{F5}... shall be payable—
- (a) in the same manner as any income tax which is, or would be, chargeable in respect of those profits ^{F5}... (whether or not income tax in fact falls to be paid), and
 - (b) by the person on whom the income tax is (or would be) charged, in accordance with assessments made from time to time under the Income Tax Acts.
- [^{F6}(3) The amount of a Class 4 contribution under this section for any tax year is equal to the aggregate of—

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- (a) the main Class 4 percentage of so much of the profits ^{F7}... referred to in subsection (1) above (computed in accordance with Schedule 2 to this Act) as exceeds [^{F8}£7,956] but does not exceed [^{F9}£41,865]; and
- (b) the additional Class 4 percentage of so much of those profits ^{F7}... as exceeds [^{F9}£41,865];

but the figures specified in this subsection are subject to alteration under section 141 of the Administration Act.

(3ZA) For the purposes of this Act—

- (a) the main Class 4 percentage is [^{F10}9] per cent; and
- (b) the additional Class 4 percentage is [^{F11}2] per cent;

but the main Class 4 percentage is subject to alteration under section 143 of the Administration Act.]

[^{F12}(3A) Where income tax is (or would be) charged on a member of a limited liability partnership in respect of profits ^{F13}... arising from the carrying on of a trade or profession by the limited liability partnership, Class 4 contributions shall be payable by him if they would be payable were the trade or profession carried on in partnership by the members.]

^{F14}(4)

- (5) For the purposes of this section the year of assessment which corresponds to a tax year is the year of assessment (within the meaning of the Tax Acts) which consists of the same period as that tax year.

Textual Amendments

- F1** Word in s. 15(1) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 420\(2\)\(a\)](#) (with [Sch. 2](#))
- F2** Word in s. 15(1) repealed (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 420\(2\)\(b\), Sch. 3](#) (with [Sch. 2](#))
- F3** Words in s. 15(1)(b) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 420\(2\)\(c\)](#) (with [Sch. 2](#))
- F4** S. 15(1)(c) and preceding word inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 420\(2\)\(d\)](#) (with [Sch. 2](#))
- F5** Words in s. 15(2) repealed (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 420\(3\), Sch. 3](#) (with [Sch. 2](#))
- F6** S. 15(3)(3ZA) substituted for s. 15(3) (with effect in relation to the tax year 2003-04 and subsequent tax years) by [National Insurance Contributions Act 2002 \(c. 19\), ss. 3\(1\), 8\(2\)](#)
- F7** Words in s. 15(3) repealed (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 420\(3\), Sch. 3](#) (with [Sch. 2](#))
- F8** Sum in s. 15(3) substituted (6.4.2014) by [The Social Security \(Contributions\) \(Re-rating and National Insurance Funds Payments\) Order 2014 \(S.I. 2014/475\), arts. 1, 4\(a\)](#)
- F9** Sum in s. 15(3) substituted (6.4.2014) by [The Social Security \(Contributions\) \(Re-rating and National Insurance Funds Payments\) Order 2014 \(S.I. 2014/475\), arts. 1, 4\(b\)](#)

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- F10** Figure in s. 15(3ZA)(a) substituted (6.4.2011) by [National Insurance Contributions Act 2011 \(c. 3\)](#), **ss. 2(1)(a)**, 13(1)
- F11** Figure in s. 15(3ZA)(b) substituted (6.4.2011) by [National Insurance Contributions Act 2011 \(c. 3\)](#), **ss. 2(1)(b)**, 13(1)
- F12** S. 15(3A) inserted (6.4.2001) by [Limited Liability Partnerships Act 2000 \(c. 12\)](#), **ss. 13**, 19(1); S.I. 2000/3316, art. 2
- F13** Words in s. 15(3A) repealed (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), Sch. 1 para. 420(3), **Sch. 3** (with Sch. 2)
- F14** S. 15(4) repealed (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), Sch. 1 para. 420(4), **Sch. 3** (with Sch. 2)

Modifications etc. (not altering text)

- C1** S. 15(3): power to amend conferred (1.7.1992) by [Social Security Administration Act 1992 \(c. 5\)](#), **ss. 141(4)**, 192(4)
- C2** S. 15(3ZA)(a): power to amend conferred (1.7.1992) by [Social Security Administration Act 1992 \(c. 5\)](#), **ss. 143(1)(4)**, 192(4)

16 Application of Income Tax Acts and destination of Class 4 contributions.

- (1) All the provisions of the Income Tax Acts, including in particular—
 - (a) provisions as to assessment, collection, repayment and recovery, and
 - [^{F15}(b) the provisions of Part VA (payment of tax) and Part X (penalties) of the Taxes Management Act 1970,]^{F16}and
 - (c) the provisions of Schedules 55 and 56 to the Finance Act 2009 [^{F17}and of Schedule 38 to the Finance Act 2012],]

shall, with the necessary modifications, apply in relation to Class 4 contributions under this Act and the Northern Ireland Contributions and Benefits Act as if those contributions were income tax chargeable under [^{F18}Chapter 2 of Part 2 of the Income Tax (Trading and Other Income) Act 2005 in respect of the profits of a trade, profession or vocation which is not carried on wholly outside the United Kingdom].

- (2) Subsection (1) above is subject to any provision made by or under—
 - (a) sections 17(3) and (4) and 18 below;
 - (b) sections 17(3) and (4) and 18 of the Northern Ireland Contributions and Benefits Act; and
 - (c) Schedule 2 to this Act.
- (3) Schedule 2 to this Act has effect for the application or modification, in relation to Class 4 contributions under this Act and the Northern Ireland Contributions and Benefits Act, of certain provisions of the Income Tax Acts, and the exclusion of other provisions, and generally with respect to the contributions.

^{F19}(4)

^{F20}(5)

Textual Amendments

- F15** S. 16(1)(b) substituted (6.4.1996 with effect in accordance with s. 196 of the amending Act) by [Finance Act 1994 \(c. 9\)](#), **Sch. 19 para. 45**

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- F16** S. 16(1)(c) and word inserted (1.4.2011) by [The Finance Act 2009, Schedules 55 and 56 \(Income Tax Self Assessment and Pension Schemes\) \(Appointed Days and Consequential and Savings Provisions\) Order 2011 \(S.I. 2011/702\), art. 13](#) (with arts. 20, 22)
- F17** Words in s. 16(1)(c) inserted (1.4.2013) by [Finance Act 2012 \(c. 14\), Sch. 38 para. 53](#); S.I. 2013/279, art. 2
- F18** Words in s. 16(1) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 421](#) (with Sch. 2)
- F19** S. 16(4) omitted (1.4.1999) by virtue of [Social Security Contributions \(Transfer of Functions, etc.\) Act 1999 \(c. 2\), s. 28\(3\), Sch. 3 para. 16, Sch. 10 Pt. 1](#); S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)
- F20** S. 16(5) repealed (with effect in relation to the tax year 2003-04 and subsequent tax years) by [National Insurance Contributions Act 2002 \(c. 19\), ss. 7, 8\(2\), Sch. 2](#)

17 Exceptions, deferment and incidental matters relating to Class 4 contributions.

- (1) ^{F21}[The Inland Revenue may by regulations] provide—
 - (a) for excepting persons from liability to pay Class 4 contributions^{F22}, or any prescribed part of such contributions,] in accordance with sections 15 and 16(1) to (3) above; or
 - (b) for deferring any person’s liability,
- ^{F23}...
- (2) Exception from liability, or deferment, under subsection (1) above may, in particular, be by reference—
 - (a) to a person otherwise liable for contributions being under a prescribed age at the beginning of a tax year;
 - (b) to a person having attained pensionable age;
 - (c) to a person being in receipt of earnings in respect of which primary Class 1 contributions are, or may be, payable; or
 - (d) to a person not satisfying prescribed conditions as to residence or presence in the United Kingdom.
- (3) ^{F24}[The Inland Revenue may by regulations] provide for any incidental matters arising out of the payment of any Class 4 contributions recovered by the Inland Revenue, including in particular the return, in whole or in part, of such contributions in cases where—
 - (a) payment has been made in error; or
 - (b) repayment ought for any other reason to be made.
- (4) ^{F24}[The Inland Revenue may by regulations] provide for any matters arising out of the deferment of liability ^{F25}[to pay Class 4 contributions, or any part of such contributions,] under subsection (1) above, including in particular provision for the amount of a person’s profits or gains (as computed in accordance with Schedule 2 to this Act) to be certified by the Inland Revenue to ^{F26}... the person liable.

^{F27}(5)

^{F28}(6)

Textual Amendments

- F21** Words in s. 17(1) substituted (1.4.1999) by [Social Security Contributions \(Transfer of Functions, etc.\) Act 1999 \(c. 2\), s. 28\(3\), Sch. 3 para. 17\(2\)](#); S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)

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- F22** Words in s. 17(1) inserted (with effect in relation to the tax year 2003-04 and subsequent tax years) by [National Insurance Contributions Act 2002 \(c. 19\)](#), s. 8(2), **Sch. 1 para. 4(2)**
- F23** Words in s.17(1) repealed (25.2.1999 for specified purposes, 1.4.1999 in so far as not already in force) by [Social Security Contributions \(Transfer of Functions, etc.\) Act 1999 \(c. 2\)](#), s. 28(2)(a), Sch. 1 para. 6(a), **Sch. 10 Pt. 1**; S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)
- F24** Words in s. 17(3)(4) substituted (1.4.1999) by [Social Security Contributions \(Transfer of Functions, etc.\) Act 1999 \(c. 2\)](#), s. 28(3), **Sch. 3 para. 17(3)**; S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)
- F25** Words in s. 17(4) substituted (with effect in relation to the tax year 2003-04 and subsequent tax years) by [National Insurance Contributions Act 2002 \(c. 19\)](#), s. 8(2), **Sch. 1 para. 4(3)**
- F26** Words in s.17(4) repealed (25.2.1999 for specified purposes, 1.4.1999 in so far as not already in force) [Social Security Contributions \(Transfer of Functions, etc.\) Act 1999 \(c. 2\)](#), s. 28(2)(a), **Sch. 1 para. 6(b)**; S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)
- F27** S. 17(5) repealed (with effect in relation to the tax year 2003-04 and subsequent tax years) by [National Insurance Contributions Act 2002 \(c. 19\)](#), ss. 7, 8(2), **Sch. 2**
- F28** S. 17(6) ceases to have effect (1.4.1999) by [Social Security Contributions \(Transfer of Functions, etc.\) Act 1999 \(c. 2\)](#), s. 28(3), Sch. 3 para. 17(4), **Sch. 10 Pt. 1**; S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)

18 Class 4 contributions recoverable under regulations.

- (1) [^{F29}The Inland Revenue may by regulations make provision] so that where—
- an earner, in respect of any one or more employments of his, is treated by regulations under section 2(2)(b) above as being self-employed; and
 - in any tax year he has earnings from any such employment (one or more) which fall within paragraph (b)(i) of [^{F30}subsection (8)] of section 11 above but is not liable for a higher weekly rate of Class 2 contributions by virtue of regulations under that subsection; and
 - the total of those earnings exceeds [^{F31}£7,956],
- he is to be liable, in respect of those earnings, to pay a Class 4 contribution ^{F32}....

[^{F33}(1A) The amount of a Class 4 contribution payable by virtue of regulations under this section is equal to the aggregate of—

- the main Class 4 percentage of so much of the total of the earnings referred to in subsection (1)(b) above as exceeds [^{F34}£7,956] but does not exceed [^{F35}£41,865]; and
- the additional Class 4 percentage of so much of that total as exceeds [^{F35}£41,865];

but the figures specified in this subsection are subject to alteration under section 141 of the Administration Act.]

- (2) [^{F36}In relation to Class 4 contributions payable by virtue of regulations under this section], [^{F37}regulations made by the Inland Revenue may]—
- apply any of the provisions of Schedule 1 to this Act (except a provision conferring power to make regulations); and
 - make any such provision as may be made by regulations under that Schedule, except paragraph 6 [^{F38}or 7BZA].

Textual Amendments

- F29** Words in s. 18(1) substituted (1.4.1999) by [Social Security Contributions \(Transfer of Functions, etc.\) Act 1999 \(c. 2\)](#), s. 28(3), **Sch. 3 para. 18(2)**; S.I. 1999/527, art. 2(b), Sch. 2 (with arts. 3-6)

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- F30** Words in s. 18(1)(b) substituted (with effect for the tax year 2015-16 and subsequent tax years) by National Insurance Contributions Act 2015 (c. 5), **Sch. 1 paras. 5, 36**
- F31** Sum in s. 18(1) substituted (6.4.2014) by The Social Security (Contributions) (Re-rating and National Insurance Funds Payments) Order 2014 (S.I. 2014/475), arts. 1, **4(a)**
- F32** Words in s. 18(1) repealed (with effect in relation to the tax year 2003-04 and subsequent tax years) by National Insurance Contributions Act 2002 (c. 19), ss. 7, 8(2), **Sch. 2**
- F33** S. 18(1A) inserted (with effect in relation to the tax year 2003-04 and subsequent tax years) by National Insurance Contributions Act 2002 (c. 19), **ss. 3(3), 8(2)**
- F34** Sum in s. 18(1A) substituted (6.4.2014) by The Social Security (Contributions) (Re-rating and National Insurance Funds Payments) Order 2014 (S.I. 2014/475), arts. 1, **4(a)**
- F35** Sum in s. 18(1A) substituted (6.4.2014) by The Social Security (Contributions) (Re-rating and National Insurance Funds Payments) Order 2014 (S.I. 2014/475), arts. 1, **4(b)**
- F36** Words in s. 18(2) substituted (25.2.1999 for specified purposes, 1.4.1999 in so far as not already in force) by Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), s. 28(2)(a), **Sch. 1 para. 7**; S.I. 1999/527, art. 2(b), **Sch. 2** (with arts. 3-6)
- F37** Words in s. 18(2) substituted (1.4.1999) by Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), s. 28(3), **Sch. 3 para. 18(3)**; S.I. 1999/527, art. 2(b), **Sch. 2** (with arts. 3-6)
- F38** Words in s. 18(2)(b) inserted (1.9.2004) by National Insurance Contributions and Statutory Payments Act 2004 (c. 3), s. 13, **Sch. 1 para. 1(3)**; S.I. 2004/1943, art. 5(a)(i)

Modifications etc. (not altering text)

- C3** S. 18(1): power to amend conferred (1.7.1992) by Social Security Administration Act 1992 (c. 5), **ss. 141(5), 192(4)**

[^{F39}18A Class 4 contributions: partnerships

- (1) The Treasury may by regulations—
 - (a) modify the way in which liabilities for Class 4 contributions of a partner in a firm are determined, or
 - (b) otherwise modify the law relating to Class 4 contributions,
 as they consider appropriate to take account of the passing or making of a provision of the Income Tax Acts relating to firms or partners in firms.
- (2) “Firm” has the same meaning as in the Income Tax (Trading and Other Income) Act 2005 (and includes a limited liability partnership in relation to which section 863(1) of that Act applies); and “partner” is to be read accordingly and includes a former partner.
- (3) Regulations under this section may have retrospective effect; but they may not have effect before the beginning of the tax year in which they are made.]

Textual Amendments

- F39** S. 18A inserted (13.5.2014) by National Insurance Contributions Act 2014 (c. 7), **s. 13(2)(7)**

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