

## **EXPLANATORY NOTES**

### **NATIONAL INSURANCE CONTRIBUTIONS AND STATUTORY PAYMENTS ACT 2004**

#### **INTRODUCTION**

#### **SUMMARY**

#### **OVERVIEW OF THE ACT**

**Liability for National Insurance contributions**

**Administration of National Insurance contributions and Statutory Sick Pay and  
Statutory Maternity Pay**

**Application of the Act to Northern Ireland**

#### **BACKGROUND TO THE ACT**

**Liability for National Insurance contributions**

**Recovery of primary National Insurance contributions from employees following  
payments of security-based earnings.**

**Current position**

**Effect of the measure**

**Agreements and joint election employment-related securities**

**Current position**

**Effect of the measure**

**Administration of National Insurance contributions and Statutory Sick**

**Pay and Statutory Maternity Pay**

**Aligning the periods of notice required for distraint action in England  
and Wales and application for summary warrant in Scotland to recover  
contribution debt and aligning distraint procedures in Northern Ireland with  
those which apply in England and Wales**

**Recovery of unpaid contributions by distraint in England and Wales**

**Current position**

**Effect of the measure**

**Recovery of unpaid contributions by summary warrant in Scotland**

**Current position**

**Effect of the measure**

**Recovery of unpaid contributions by distraint in Northern Ireland**

**Current position**

**Effect of the measure**

**Powers to combine recovery of contributions with tax**

**Current position**

**Effect of the measure**

**Aligning the powers of Inland Revenue officers to gather information for tax and contributions purposes**

**Current position**

**Effect of the measure**

**Aligning the powers of Inland Revenue officers to inspect records for SSP and SMP purposes**

**Current position**

**Effect of the measure**

**Aligning the compliance regime for SSP and SMP with that which applies to tax and the other statutory payments**

**Current position**

**Effect of the measure**

**COMMENTARY ON SECTIONS**

**Employers' Liability for National Insurance contributions**

Section 1 – Payment of Class 1 contributions: Great Britain

Section 3 – Agreements and joint elections: Great Britain

Section 4 – Agreements and joint elections: Northern Ireland

**Administration of National Insurance contributions and Statutory Sick**

**Pay and Statutory Maternity Pay**

Section 5 – Recovery of contributions, etc: Great Britain

Section 6 – Recovery of contributions, etc: Northern Ireland

*These notes refer to the National Insurance  
Contributions and Statutory Payments Act 2004 (c.3)*

Section 7 - Class 1, 1A, 1B or 2 contributions: powers to call for documents etc:  
Great Britain

Section 8 - Class 1, 1A, 1B or 2 contributions: powers to call for documents etc:  
Northern Ireland

Section 9 - Compliance regime for statutory sick pay and statutory maternity pay:  
Great Britain

Section 10 - Compliance regime for statutory sick pay and statutory maternity pay:  
Great Britain

Schedule 1 - Minor and consequential amendments

**COMMENCEMENT**

**HANSARD REFERENCES**