

NATIONAL INSURANCE CONTRIBUTIONS ACT 2011

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2: Regional secondary contributions holiday for new businesses

Section 9: Retention of records

78. This section introduces a record-keeping obligation on P relating to records concerning the Holiday.
79. *Subsection (2)* sets out the details of the record-keeping requirement. The documents or records which P must keep and preserve are those relating to two matters:
- whether P was entitled to make a deduction in respect of the employee, and, if so,
 - how P calculated any amount that has been, or could have been, deducted.
80. P must keep and preserve the relevant documents or records for at least 3 years beginning with the date on which the last deduction under section 8 is, or could be, made in respect of each qualifying employee. The period provided - 3 years - is consistent with the period for which employers are required to retain other NICs-related records.
81. There is already a general NICs record-keeping requirement imposed on employers: so, in order to prevent there being overlapping duties, *subsection (3)* ensures that the general requirement does not apply in relation to records relating specifically to the Holiday.
82. *Subsection (4)* explains that the duty under this section may be discharged by preserving the relevant documents or records in any form or by any means.
83. *Subsection (5)* applies to this section the information and inspection powers contained in Schedule 36 to the Finance Act 2008. These powers make provision that enable HMRC to check compliance with the law. They include the power for officers of HMRC to issue notices requiring persons to provide information or to produce documents if the information or document is reasonably required by the officer for the purpose of checking the taxpayer's tax position. They also include the power to inspect business documents that are on the business premises. *Subsection (5)* will extend the powers in Schedule 36 to ensure that HMRC officers can check compliance with the Holiday legislation.