
Changes to legislation: There are currently no known outstanding effects for the National Insurance Contributions Act 2014, Cross Heading: The basic rule. (See end of Document for details)

SCHEDULES

SCHEDULE 1

EMPLOYMENT ALLOWANCE: RULES FOR DETERMINING IF PERSONS ARE “CONNECTED”

PART 1

COMPANIES

Modifications etc. (not altering text)

- C1 Sch. 1 Pt. 1 applied (15.9.2016) by [Finance Act 2016 \(c. 24\), s. 101\(17\)](#)
- C1 Sch. 1 Pt. 1 applied (E.W.S.) (26.5.2020) by [The Statutory Sick Pay \(Coronavirus\) \(Funding of Employers' Liabilities\) Regulations 2020 \(S.I. 2020/512\), regs. 1, 4\(4\)\(a\)](#)
- C1 Sch. 1 Pt. 1 applied (N.I.) (26.5.2020) by [The Statutory Sick Pay \(Coronavirus\) \(Funding of Employers' Liabilities\) \(Northern Ireland\) Regulations 2020 \(S.I. 2020/513\), regs. 1, 4\(4\)\(a\)](#)

The basic rule

- 2 (1) Two companies are “connected” with one another if—
- (a) one of the two has control of the other, or
 - (b) both are under the control of the same person or persons.
- (2) In sub-paragraph (1) “control” has the same meaning as in Part 10 of CTA 2010 (see sections 450 and 451 of that Act) (and a limited liability partnership is to be treated as a company for the purposes of that Part as applied by this sub-paragraph).
- (3) For this purpose, where under section 450 of that Act “C” is a limited liability partnership, subsection (3) of that section has effect as if before paragraph (a) there were inserted—
- “(za) rights to a share of more than half the assets, or of more than half the income, of C.”.
- (4) Sub-paragraphs (1) to (3) are subject to paragraphs 3 to 6.
- (5) Paragraph 7 provides for further connections.
- (6) In this Part “CTA 2010” means the Corporation Tax Act 2010.

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