
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Social Security (Contributions) Regulations 1979 (“the principal Regulations”).

Regulation 2 amends regulation 1(2) of the principal Regulations by inserting new definitions of “COMPS employment”, “COSRS employment” and “director”.

Regulation 3 amends regulation 5A(2) of the principal Regulations by designating the appropriate earnings period where an employed earner’s earnings in respect of one or more COMPS (contracted-out money purchase scheme) and COSRS (contracted-out salary related scheme) employments are aggregated and the earnings period for those earnings would otherwise be different.

Regulation 4 amends regulation 32(2) and (2A) of the principal Regulations by providing an order of priority for the return of earnings-related contributions in respect of COMPS employment and COSRS employment.

Regulation 5 amends regulation 35(1) of the principal Regulations to require the Secretary of State to deduct from earnings-related contributions which have been paid in error, before they are repaid, the amount of any payment made by the Secretary of State under section 42A of the Pension Schemes Act 1993 (age-related rebate).

Regulation 6 amends regulation 69(2) of the principal Regulations to provide different periods for different years of assessment for the making of an application for the repayment of Class 4 contributions which were not due to be paid under section 15 of the Social Security Contributions and Benefits Act 1992 (formerly section 9 of the Social Security Act 1975 (c. 14)).

Regulation 7 amends regulations 13A, 26C(1) and (2), 27(2A) and (3), 27B(1), (2), (3) and (5), 28(1) and 32(5) of Schedule 1 to the principal Regulations. Paragraph (2) amends regulation 13A by altering the time limit for the recording of Class 1A contributions and the preparation of deductions working sheets from 75 days to 105 days after the end of the year in respect of which the contributions are payable. Paragraph (3) amends regulation 26C(1) by altering the date for payment of Class 1A contributions from 19th June to 19th July of the year immediately following the year of assessment. Paragraph (3) also omits paragraph (2) of regulation 26C, and paragraph (4) makes consequential amendments.

Regulations 1, 2, 4, 5 and 6 do not impose any additional costs on business. Regulation 7 makes consequential changes to the principal Regulations as a result of the introduction of self-assessment for income tax by the Inland Revenue and in respect of which they have lodged a compliance cost assessment. These changes to the social security legislation will not involve business in any additional costs to those specified in the Inland Revenue’s compliance cost assessment.

Regulation 3 does impose costs on business. An assessment of the compliance costs for business has been made and a copy has been placed in the libraries of both Houses of Parliament. Copies can be obtained by post from the Department of Social Security, Deregulation Unit, 11th Floor, Adelphi, 1—11 John Adam Street, London WC2N 6HT.