
STATUTORY INSTRUMENTS

1996 No. 700

SOCIAL SECURITY

**The Social Security (Contributions)
Amendment (No. 3) Regulations 1996**

<i>Made</i>	- - - -	<i>7th March 1996</i>
<i>Laid before Parliament</i>		<i>15th March 1996</i>
<i>Coming into force</i>	- -	<i>6th April 1996</i>

The Secretary of State for Social Security, in exercise of powers conferred by sections 3(2) and (3), 122(1) and 175(1) to (3) of, and paragraph 1(1) of Schedule 1 to, the Social Security Contributions and Benefits Act 1992⁽¹⁾ and of all other powers enabling him in that behalf, after agreement by the Social Security Advisory Committee that proposals to make these Regulations should not be referred to it⁽²⁾, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Contributions) Amendment (No. 3) Regulations 1996 and shall come into force on 6th April 1996.

(2) In these Regulations “the principal Regulations” means the Social Security (Contributions) Regulations 1979⁽³⁾.

Amendment of regulation 5A of the principal Regulations

2. In paragraph (2) of regulation 5A of the principal Regulations (earnings period for earnings to be aggregated where the earnings periods for those earnings otherwise would be of different lengths)⁽⁴⁾ for sub-paragraphs (a) and (b) there shall be substituted the following sub-paragraphs—

“(a) where the earnings are derived from employments which include any contracted-out employment and any non-contracted-out employment and the employed earner is a person in respect of whom minimum contributions are paid by the Secretary of State in accordance with section 43 of the Pension Schemes Act 1993 (payment of minimum contributions to personal pension schemes)⁽⁵⁾, the earnings period in respect of earnings which are derived from such non-contracted-out employment or,

(1) 1992 c. 4. Section 122(1) is cited because of the meaning ascribed to the word “prescribe”.

(2) See section 173(1)(b) of the Social Security Administration Act 1992 (c. 5).

(3) S.I. 1979/591. The relevant amending instruments are S.I. 1980/1975, 1987/2111, 1991/640 and 1995/1570.

(4) Regulation 5A was inserted by S.I. 1980/1975.

(5) 1993 c. 48.

- if there is more than one such employment, the shorter, or as the case may be the shortest, of the earnings periods derived from such employments; or
- (b) where the earnings are derived from employments which include any contracted-out employment and any non-contracted-out employment and the employed earner is not a person in respect of whom minimum contributions are paid by the Secretary of State in accordance with section 43 of the Pension Schemes Act 1993, the earnings period in respect of earnings which are derived from such contracted-out employment or, if there is more than one such employment, the shorter, or as the case may be the shortest, of the earnings periods derived from such employments; and
- (c) in any other case, the shorter, or as the case may be the shortest, of the earnings periods in respect of the earnings derived from the employments.”.

Amendment of regulation 19 of the principal Regulations

3.—(1) In paragraph (1) of regulation 19 of the principal Regulations (payments to be disregarded)(6) after sub-paragraph (t) there shall be added the following sub-paragraphs—

- “(u) a payment in lieu of coal made to a miner which he is entitled to receive by virtue of his employment as such;
- (v) a payment of, or contribution towards, expenses incurred by a person—
- (i) in travelling between the mainland of Great Britain and his place of work being an offshore oil or gas rig or platform situated within an area designated pursuant to section 1(7) of the Continental Shelf Act 1964 (exploration and exploitation of continental shelf)(7);
- (ii) for accommodation in the vicinity of his point of departure from, or arrival at, the mainland of Great Britain when travelling between the mainland of Great Britain and such an offshore oil or gas rig or platform;
- (w) a payment made to a person as a participant in a Jobmatch Scheme pilot arranged under section 2(1) of the Employment and Training Act 1973 (functions of the Secretary of State)(8);
- (x) a payment by way of the discharge of any liability by the use of a voucher given to a person as a participant in a Jobmatch Scheme pilot arranged under section 2(1) of the Employment and Training Act 1973;
- (y) a payment—
- (i) by way of the discharge of any liability which by virtue of section 157(3)(a) of the Income and Corporation Taxes Act 1988 (cars available for private use)(9); or
- (ii) of expenses, which by virtue of section 157(3)(c) of that Act, is not treated as an emolument of the employment chargeable to income tax under Schedule E.”.
- (2) After paragraph (7) there shall be added the following paragraph—
- “(8) In paragraph (1)(u) of this regulation “miner” means any person employed at or about a colliery whether on the surface or below ground, except a person employed—
- (a) in a clerical, technical, or administrative capacity;
- (b) at a coke oven, brick works or other activity not ancillary to coal mining.”.

(6) The relevant amending instrument is S.I. 1995/1570.

(7) 1964 c. 29. Section 1(7) was amended by paragraph 1 of Schedule 3 to the Oil and Gas (Enterprise) Act 1982 (c. 23).

(8) 1973 c. 50. Section 2 was substituted by section 25(1) of the Employment Act 1988 (c. 19).

(9) 1988 c. 1.

Amendment of regulation 19B of the principal Regulations

4. In paragraph (5)(a) of regulation 19B of the principal Regulations (payments to directors which are to be disregarded)(10), for the words ““company” is deemed to include a building society within the meaning of the Building Societies Act 1986” there shall be substituted the words ““company” has the meaning given by section 832(1) and (2) of the Income and Corporation Taxes Act 1988 (interpretation of the Tax Acts)”.

Signed by authority of the Secretary of State for Social Security.

7th March 1996

Oliver Heald
Parliamentary Under-Secretary of State,
Department of Social Security

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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 5A(2) of the principal Regulations by inserting a new definition of “designated earnings period” where the earner is, or is not, a person in respect of whom minimum contributions are payable in accordance with section 43 of the Pension Schemes Act 1993.

Regulation 3 amends regulation 19(1) of the principal Regulations (payments to be disregarded) by excluding various payments and benefits from the computation of a person’s earnings for the purposes of earnings-related contributions.

Regulation 4 amends regulation 19B(5) of the principal Regulations (disregard of payments to directors) by applying the meaning given to “company” by section 832(1) and (2) of the Income and Corporation Taxes Act 1988.

An assessment of the compliance costs for employers 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 St, London WC2N 6HT.