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STATUTORY INSTRUMENTS

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**2001 No. 1004**

**The Social Security (Contributions) Regulations 2001**

**PART 1**

**GENERAL**

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Social Security (Contributions) Regulations 2001 and shall come into force on 6th April 2001 immediately after—

- (a) the Social Security (Contributions) (Amendment No. 2) Regulations 2001 <sup>F1</sup>;
- (b) the Social Security (Contributions) (Amendment No. 2) (Northern Ireland) Regulations 2001 <sup>F2</sup>;
- (c) the Social Security (Contributions) (Amendment No. 3) Regulations 2001 <sup>F3</sup>;
- (d) the Social Security (Contributions) (Amendment No. 3) (Northern Ireland) Regulations 2001 <sup>F4</sup>;
- (e) the Social Security (Crediting and Treatment of Contributions, and National Insurance Numbers) Regulations 2001) <sup>F5</sup>; and
- (f) the Social Security (Crediting and Treatment of Contributions, and National Insurance Numbers) Regulations (Northern Ireland) 2001 <sup>F6</sup>.

(2) In these Regulations, unless the context otherwise requires—

[<sup>F7</sup>“the acquired gender” has the same meaning as it has in the Gender Recognition Act 2004;]

“the Act” means the Social Security Contributions and Benefits Act 1992 <sup>F8</sup>;

“the Administration Act” means the Social Security Administration Act 1992 <sup>F9</sup>;

“aggregation” means the aggregating and treating as a single payment under paragraph 1(1) of Schedule 1 to the Act (Class 1 contributions; more than one employment) of two or more payments or earnings and “aggregated” shall be construed accordingly;

“apportionment” means the apportioning under paragraph 1(7) of Schedule 1 to the Act to one or more employers of a single payment of earnings made to or for the benefit of an employed earner in respect of two or more employments, or, as the case may be, the apportioning under paragraph 1(8) of that Schedule of contribution liability between two or more employers in respect of earnings which have been aggregated under paragraph 1(1)(b) of that Schedule, and in either case “apportioning” and “apportioned” shall be construed accordingly;

[<sup>F10</sup>“approved method of electronic communications” in relation to the delivery of information or the making of a payment in accordance with a provision of these Regulations, means a method of electronic communications which has been approved, by specific or general directions issued by the Board, for the delivery of information of that kind or the making of a payment of that kind under that provision;]

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“the Board” means the Commissioners of Inland Revenue, and subject to section 4A of the Inland Revenue Regulation Act 1890 <sup>F11</sup>, includes any officer or servant of theirs;

[<sup>F12</sup>“business travel” has the meaning given in section 236(1) of ITEPA 2003;]

[<sup>F13</sup>“cash voucher” has the meaning given to it in section 75 of ITEPA 2003;]

[<sup>F14</sup>“the Commissioner” means, for the purposes of the definition of “official error”, the Chief Social Security Commissioner or any other Social Security Commissioner and includes a tribunal of three or more Commissioners constituted under section 16(7) of the Social Security Act 1998;]

“company” means a company within the meaning of section 735 of the Companies Act 1985 <sup>F15</sup> or a body corporate to which, by virtue of section 718 of that Act, any provision of that Act applies;

“COMPS employment” means employment in respect of which minimum payments are made to a money purchase pension scheme contracted out under section 9(3) of the Pensions Act <sup>F16</sup>;

“conditional interest in shares” means an interest which is conditional for the purposes of [<sup>F17</sup>Chapter 2 of Part 7 of ITEPA 2003 as originally enacted;]

“contracted-out employment” has the same meaning as in section 8(1) of the Pensions Act <sup>F18</sup>;

“contracted-out rate” means, in relation to Class 1 contributions payable in respect of earnings paid to or for the benefit of an earner who is in—

- (a) COSRS employment, the reduced amount for the time being applying in accordance with section 41(1) to (1B) <sup>F19</sup> of the Pensions Act (which specifies the percentage reduction of primary and secondary Class 1 contribution in respect of that part of an employed earner’s earnings which exceed the current lower earnings limit, but not the current upper earnings limit, in respect of members of a COSRS);
- (b) COMPS employment, the reduced amount for the time being applying in accordance with section 42A(1) to (2A) of the Pensions Act (which specifies the percentage reduction of primary and secondary Class 1 contributions in respect of that part of an employed earner’s earnings which exceed the current lower earnings limit, but not the current upper earnings limit, in respect of members of a COMPS) <sup>F20</sup>;

“contribution week” means a period of seven days beginning with midnight between Saturday and Sunday;

“contribution year” shall be construed in accordance with section 12(1) or (as the case requires) section 13(5) of the Act (late paid Class 2 or Class 3 contributions);

“a contribution-based jobseeker’s allowance” has the same meaning as in the Jobseekers Act 1995 <sup>F21</sup>;

“contributory benefit” includes a contribution-based jobseeker’s allowance but not an income-based jobseeker’s allowance;

<sup>F22</sup> ...

“COSRS employment” means employment which qualifies an earner for a pension provided by a salary related scheme contracted out under section 9(2) of the Pensions Act <sup>F23</sup>;

“director” means—

- (a) in relation to a company whose affairs are managed by a board of directors or similar body, a member of that board or similar body;
- (b) in relation to a company whose affairs are managed by a single director or similar person, that director or person; and

(c) any person in accordance with whose directions or instructions the company's directors as defined in paragraphs (a) and (b) above are accustomed to act; and for this purpose a person is not to be treated as such a person by reason only that the directors act on advice given by him in his professional capacity;

"due date" in Part 6 means in relation to any contribution which a person is—

- (a) liable to pay, the date by which payment falls to be made;
- (b) entitled but not liable to pay, the date 42 days after the end of the year in respect of which it is paid;

"earnings period" means the period referred to in regulation 2;

"earnings-related contributions" means contributions payable under the Act in respect of earnings paid to or for the benefit of an earner in respect of employed earner's employment;

[<sup>F24</sup>"electronic communications" includes any communications conveyed by means of an electronic communications network.]

[<sup>F25</sup>"full gender recognition certificate" means a certificate issued under section 4 of the Gender Recognition Act 2004;]

"an income-based jobseeker's allowance" has the same meaning as in the Jobseekers Act 1995;

<sup>F26</sup> ...

"national insurance number" means the national insurance number allocated within the meaning of regulation 9 of the Social Security (Crediting and Treatment of Contributions, and National Insurance Numbers) Regulations 2001;

[<sup>F27</sup>"non-cash voucher" has the meaning given to it in section 84 of ITEPA 2003;]

"non-contracted-out employment" means employed earner's employment which is not contracted-out employment;

"non-contracted out rate" means, in relation to Class 1 contributions payable in respect of earnings paid to or for the benefit of an earner in non-contracted-out employment, [<sup>F28</sup>the main primary percentage for the time being specified in section 8(2)(a) of the Act]<sup>F29</sup>;

[<sup>F30</sup>"normal rate" means the amount of a Class 1 contribution which would be payable in respect of earnings paid to or for the benefit of an employed earner in any week if the employment were not contracted-out employment;]

[<sup>F31</sup>"official computer system" means a computer system maintained by or on behalf of the Board;]

[<sup>F32</sup>"official error" means, for the purposes of regulations 50B and 61A, an error —

- (a) made by an officer of the Department for Work and Pensions or an officer of Revenue and Customs acting as such which no person outside the Department for Work and Pensions or Her Majesty's Revenue and Customs caused or to which no person outside the Department for Work and Pensions or Her Majesty's Revenue and Customs materially contributed, or
- (b) made by a person employed by a service provider and to which no person who was not so employed materially contributed,

but excludes any error of law which is shown to have been an error by virtue of a subsequent decision of a Commissioner or the court;.]

"the PAYE Regulations" means the Income Tax (Pay As You Earn) Regulations 2003;

<sup>F33</sup> ...

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“the Pensions Act” means the Pension Schemes Act 1993 <sup>F34</sup>;

“profits or gains” for the purposes of Part 8 means profits or gains which, subject to the provisions of Schedule 2 to the Act, are chargeable to income tax under Case I or Case II of Schedule D;

“readily convertible asset” has the meaning given in [<sup>F35</sup>section 702 of ITEPA 2003 as amended by the Finance Act 2003;]

[<sup>F36</sup>“registered pension scheme” has the meaning given in section 150(2) of the Finance Act 2004;]

“regular interval” for the purposes of regulations 3, 4 and 7 includes only such interval as is in accordance with an express or implied agreement between the employed earner and the secondary contributor as to the intervals at which payments of earnings normally fall to be made, being intervals of substantially equal length;

[<sup>F37</sup>“relevant employment income” has the meaning given in paragraph 3B(1A) of Schedule 1 to the Act;]

[<sup>F38</sup>“restricted securities” and “restricted interest in securities” have the meanings given in sections 423 and 424 of ITEPA 2003 as substituted by the Finance Act 2003;]

“retirement benefits scheme” has the meaning given in section 611 of the Taxes Act <sup>F39</sup>;

[<sup>F40</sup>“retrospective contributions”, in relation to an amount of retrospective earnings, means the amount of earnings-related contributions based on those earnings which the employee is liable to pay under section 6(4)(a) of the Act (primary contributions);]

[<sup>F40</sup>“retrospective contributions regulations” means regulations made by virtue of section 4B(2) of the Act and, in relation to an amount of retrospective earnings, “the relevant retrospective contributions regulations” means the regulations which treat that amount as earnings;]

[<sup>F40</sup>“retrospective earnings” means an amount retrospectively treated as earnings by retrospective contributions regulations;]

<sup>F41</sup> ...

“secondary contributor” means the person who, in respect of earnings from employed earner’s employment, is liable to pay a second Class 1 contribution under section 6(4)(b) of the Act (liability for Class 1 contributions) <sup>F42</sup>;

[<sup>F43</sup>“securities” and “securities option” have the meaning given by section 420 of ITEPA 2003 as substituted by the Finance Act 2003;]

[<sup>F44</sup>“service provider” means, for the purposes of the definition of “official error”, a person providing services to the Secretary of State for Work and Pensions or to Her Majesty’s Revenue and Customs;]

“serving member of the forces” means a person, other than one mentioned in Part 2 of Schedule 6, who, being over the age of 16, is a member of any establishment or organisation specified in Part I of that Schedule (being a member who gives full pay service) but does not include any such person while absent on desertion;

“the Taxes Act” means the Income and Corporation Taxes Act 1988<sup>F45</sup>;

[<sup>F46</sup>“tax month” has the meaning given in paragraph 1(2) of Schedule 4;]

“training” means full-time training at a course approved by the Board;

“the Transfer Act” means the Social Security Contributions (Transfer of Functions, etc) Act 1999;

“week” means tax week, except in relation to Case C of Part 9, where “week” and “weekly” have the meanings given in regulation 115;

“the Welfare Reform Act” means the Welfare Reform and Pensions Act 1999<sup>F47</sup>;

“year” means tax year;

“year of assessment” has the meaning given to it in section 832(1) of the Taxes Act;

(3) For the purposes of regulations 52, 57, 67 and 116, references to “contributions”, “Class 1 contributions” and “earnings-related contributions” shall, unless the context otherwise requires, include any amount paid on account of earnings-related contributions in accordance with regulation 8(6).

(4) Where, by any provision of these Regulations—

(a) any notice or other document is required to be given or sent to the Board, that notice or document shall be treated as having been given or sent on the day that it is received by the Board; and

(b) any notice or other document is required to be given or sent by the Board to any person, that notice or document shall, if sent by post to that person’s last known address, be treated as having been given or sent on the day that it was posted.

(5) Unless the context otherwise requires—

(a) any reference in these Regulations to a numbered regulation is a reference to the regulation bearing that number in these Regulations;

(b) any reference in these Regulations to a numbered Part or Schedule is to the Part of, or Schedule to, these Regulations bearing that number;

(c) any reference in a regulation or a Schedule to a numbered paragraph is a reference to the paragraph bearing that number in that regulation or Schedule;

(d) any reference in a paragraph of a regulation or a Schedule to a numbered or lettered sub-paragraph is a reference to the sub-paragraph bearing that number or letter in that paragraph; and

(e) any reference in a sub-paragraph to a numbered head is a reference to the head in that sub-paragraph bearing that number.

#### **Textual Amendments**

**F1** S.I. 2001/313.

**F2** S.I. 2001/314.

**F3** S.I. 2001/596.

**F4** S.I. 2001/597.

**F5** S.I. 2001/769.

**F6** S.R. 2001 No. 102.

**F7** Words in reg. 1(2) inserted (6.4.2005) by [The Social Security \(Contributions\) \(Amendment No. 3\) Regulations 2005 \(S.I. 2005/778\)](#), regs. 1(1), **3(2)**

**F8** 1992 c. 4.

**F9** 1992 c. 5.

**F10** Words in reg. 1(2) inserted (6.4.2004) by [The Social Security \(Contributions, Categorisation of Earners and Intermediaries\) \(Amendment\) Regulations 2004 \(S.I. 2004/770\)](#), regs. 1(1), **3(a)**

**F11** 53 & 53 Vict. c. 21. Section 4A was inserted by paragraph 11(1) and (2) of Schedule 20 to the [Finance Act 1969 \(c. 32\)](#).

**F12** Words in reg. 1(2) substituted (6.4.2004) by [The Social Security \(Contributions, Categorisation of Earners and Intermediaries\) \(Amendment\) Regulations 2004 \(S.I. 2004/770\)](#), regs. 1(1), **3(b)**

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- F13** Words in reg. 1(2) substituted (6.4.2004) by The Social Security (Contributions, Categorisation of Earners and Intermediaries) (Amendment) Regulations 2004 (S.I. 2004/770), regs. 1(1), **3(c)**
- F14** Words in reg. 1(2) inserted (1.10.2007) by The Social Security (Contributions) (Amendment No. 8) Regulations 2007 (S.I. 2007/2520), regs. 1, **3(2)**
- F15** 1985 c. 6. Section 718 was amended by paragraph 9 of Schedule 8 to S.I. 1996/2827.
- F16** Section 9(3) was amended by section 136(4) of, and paragraph 24 of Schedule 5 to the Pensions Act 1995 (c. 26) and paragraph 35(3) of Schedule 1 to the Transfer Act.
- F17** Words in reg. 1(2) substituted (6.4.2004) by The Social Security (Contributions, Categorisation of Earners and Intermediaries) (Amendment) Regulations 2004 (S.I. 2004/770), regs. 1(1), **3(d)**
- F18** Section 8(1) was amended by section 136(2) of, and paragraph 21 of Schedule 5 to the Pensions Act 1995 and paragraph 34 of Schedule 1 to the Transfer Act.
- F19** Section 41(1) was amended by paragraph 127 of Schedule 7 to the Social Security Act 1998 (c. 14). It was further amended by paragraph 6(2), and subsections (1A) and (1B) were substituted by paragraph 6(3) of Part II of Schedule 9 to the Welfare Reform and Pensions Act 1999 (c. 30) (“the Welfare Reform Act”).
- F20** Section 42A was inserted by section 137(5) of the Pensions Act 1995. Subsections (1) to (2A) were substituted by paragraph 128 of Schedule 7 to the Social Security Act 1998, and subsections (2) and (2A) were further substituted by paragraph 7(3) of Schedule 9 to the Welfare Reform Act.
- F21** 1995 c. 18.
- F22** Words in reg. 1(2) omitted (1.9.2003) by virtue of The Social Security (Contributions) (Amendment No. 5) Regulations 2003 (S.I. 2003/2085), regs. 1, **4(a)**
- F23** Section 9(2) was substituted by section 136(3) of the Pensions Act 1995.
- F24** Words in reg. 1 substituted (17.9.2003) by The Communications Act 2003 (Consequential Amendments) Order 2003 (S.I. 2003/2155), art. 1(1), Sch. 1 para. 23(1)(d)**(2)**
- F25** Words in reg. 1(2) inserted (6.4.2005) by The Social Security (Contributions) (Amendment No. 3) Regulations 2005 (S.I. 2005/778), regs. 1(1), **3(3)**
- F26** Words in reg. 1(2) omitted (6.4.2004) by virtue of The Social Security (Contributions, Categorisation of Earners and Intermediaries) (Amendment) Regulations 2004 (S.I. 2004/770), regs. 1(1), **3(e)**
- F27** Words in reg. 1(2) substituted (6.4.2004) by The Social Security (Contributions, Categorisation of Earners and Intermediaries) (Amendment) Regulations 2004 (S.I. 2004/770), regs. 1(1), **3(f)**
- F28** Words in reg. 1(2) substituted (with effect in accordance with reg. 1(1) of the amending S.I.) by The Social Security (Contributions) (Amendment) Regulations 2003 (S.I. 2003/193), regs. 1(1), **3**
- F29** Section 8 was substituted by paragraph 4 of Part I of Schedule 9 to the Welfare Reform Act.
- F30** Words in reg. 1(2) inserted (6.4.2007) by The Social Security Contributions (Consequential Provisions) Regulations 2007 (S.I. 2007/1056), regs. 1, **4(b)**
- F31** Words in reg. 1(2) inserted (6.4.2004) by The Social Security (Contributions, Categorisation of Earners and Intermediaries) (Amendment) Regulations 2004 (S.I. 2004/770), regs. 1(1), **3(g)**
- F32** Words in reg. 1(2) inserted (1.10.2007) by The Social Security (Contributions) (Amendment No. 8) Regulations 2007 (S.I. 2007/2520), regs. 1, **3(3)**
- F33** Words in reg. 1(2) omitted (6.4.2007) by virtue of The Social Security Contributions (Consequential Provisions) Regulations 2007 (S.I. 2007/1056), regs. 1, **4(b)**
- F34** 1993 c. 48.
- F35** Words in reg. 1(2) substituted (1.9.2003) by The Social Security (Contributions) (Amendment No. 5) Regulations 2003 (S.I. 2003/2085), regs. 1, **4(b)**
- F36** Words in reg. 1(2) inserted (6.4.2006) by The Social Security (Contributions) (Amendment No. 2) Regulations 2006 (S.I. 2006/576), regs. 1, **3**
- F37** Words in reg. 1(2) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Social Security (Contributions) (Amendment No. 4) Regulations 2004 (S.I. 2004/2096), regs. 1(1), **3**
- F38** Words in reg. 1(2) inserted (1.9.2003) by The Social Security (Contributions) (Amendment No. 5) Regulations 2003 (S.I. 2003/2085), regs. 1, **4(c)**
- F39** Section 611 is to be amended from a date to be appointed under section 79 of the Finance Act 1999.
- F40** Words in reg. 1(2) inserted (6.4.2007) by The Social Security Contributions (Consequential Provisions) Regulations 2007 (S.I. 2007/1056), regs. 1, **4(a)**

- F41** Words in reg. 1(2) omitted (6.4.2004) by virtue of The Social Security (Contributions, Categorisation of Earners and Intermediaries) (Amendment) Regulations 2004 (S.I. 2004/770), regs. 1(1), **3(h)**
- F42** Section 6 was substituted by paragraph 2 of Part I of Schedule 9 to the Welfare Reform Act.
- F43** Words in reg. 1(2) inserted (1.9.2003) by The Social Security (Contributions) (Amendment No. 5) Regulations 2003 (S.I. 2003/2085), regs. 1, **4(d)**
- F44** Words in reg. 1(2) inserted (1.10.2007) by The Social Security (Contributions) (Amendment No. 8) Regulations 2007 (S.I. 2007/2520), regs. 1, **3(4)**
- F45** 1988 c. 1.
- F46** Words in reg. 1(2) inserted (6.4.2004) by The Social Security (Contributions, Categorisation of Earners and Intermediaries) (Amendment) Regulations 2004 (S.I. 2004/770), regs. 1(1), **3(i)**
- F47** 1999 c. 30.

**Status:**

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**Changes to legislation:**

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