
STATUTORY INSTRUMENTS

2001 No. 1004

The Social Security (Contributions) Regulations 2001

PART 8 U.K.

CLASS 4 CONTRIBUTIONS

Exception from Class 4 liability of persons over pensionable age and persons not resident in the United Kingdom U.K.

91. Any earner who—

- (a) at the beginning of a year of assessment is over pensionable age; or
- (b) for the purposes of income tax is not resident in the United Kingdom in the year of assessment;

shall be excepted from liability for contributions under section 15 of the Act (Class 4 contributions).

Exception of divers and diving supervisors from liability for Class 4 contributions U.K.

92. A person who performs the duties of an employment to which section 314 of the Taxes Act applies (divers and diving supervisors) shall be excepted from liability for contributions under section 15 of the Act on so much of his profits or gains as are derived from that employment.

Exception of persons under the age of 16 from liability for Class 4 contributions U.K.

93.—(1) Where, as respects any year of assessment, a person to whom this regulation applies wishes to be excepted from liability to pay contributions under section 15 of the Act for that year, the following provisions of this regulation shall apply, subject to the provisions of regulations 97 and 98.

(2) Any such person shall make application to the Board for a certificate of exception for that year.

(3) If it is shown to the satisfaction of the Board that the applicant is a person to whom this regulation applies and the application is made before the beginning of the year of assessment to which it relates, the Board shall issue in respect of the applicant such a certificate of exception for that year.

(4) If the application is not made until the beginning of the year of assessment to which it relates, but is made before contributions under that section 15 of the Act for that year become due and payable and it is shown to the satisfaction of the Board that the applicant is a person to whom this regulation applies, the Board may issue in respect of the applicant a certificate of exception for that year.

(5) Where under paragraphs (1) to (4) a certificate of exception has been issued in respect of an applicant for any year of assessment, the Board shall not collect any contributions under section 15 of the Act from the applicant for that year.

(6) This regulation applies to any person who at the beginning of the year of assessment is under the age of 16.

[^{F1}Exception from Class 4 liability in respect of earnings from employed earner's employment chargeable to income tax under Schedule D.] U.K.

94.—[^{F2}(1) If, for any year of assessment—

- (a) an earner has earnings from employment which is employed earner's employment; and
- (b) those earnings are chargeable to income tax under Schedule D;

the earner shall be excepted from liability to pay contributions under section 15 of the Act on those earnings.

This is subject to the following qualification.]

(2) It shall be a condition of exception from liability that the earner makes an application for such an exception to the Board before the beginning of the year of assessment to which the application relates, or before such later date as the Board may allow.

(3) An application under paragraph (2) shall be made in such manner as the Board may direct and, for the purpose of enabling the Board to determine whether the earner is entitled to the exception, the earner shall furnish the Board with such information and evidence as the Board may require, whether the requirement is made at the time of the application or later.

(4) Without prejudice to the earner's right to any such exception, nothing in paragraphs (1) to (3) shall affect the Board's powers under regulation 95 to defer, pending the determination of the application, the earner's liability under section 15 of the Act.

Textual Amendments

- F1** Reg. 94 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), **11(2)**
- F2** Reg. 94(1) 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), **11(3)**

[^{F3}Exception from Class 4 liability in respect of certain amounts chargeable to income tax under Schedule D] U.K.

94A. Where —

- (a) an earner has earnings from employment which is employed earner's employment; and
- (b) an amount representing those earnings is included in the calculation of the profits chargeable to income tax under Schedule D,

the earner shall be excepted from liability to pay contributions under section 15 of the Act (Class 4 contributions) on that amount.]

Textual Amendments

- F3** Reg. 94A and heading inserted (with effect in accordance with reg. 2 of the amending S.I.) by [The Social Security \(Contributions\) \(Amendment No. 7\) Regulations 2003 \(S.I. 2003/2958\)](#), regs. 1(1), **4**

[^{F4}Liability of a partner in an AIFM firm for Class 4 contributions] U.K.

94B.—(1) This regulation applies if an AIFM firm makes an election under section 863H of ITTOIA 2005 (election for special provision for alternative investment fund managers to apply).

(2) Where a partner (“P”) in an AIFM firm allocates a profit (“the allocated profit”) to that firm as provided for in section 863I(2) of ITTOIA 2005 (allocation of profit to the AIFM firm), no Class 4 contributions are payable in respect of that allocated profit by virtue of the allocation.

(3) Paragraph (4) applies if all or part of the allocated profit vests in P at a time when P is carrying on the AIFM trade (whether as a partner in the AIFM firm or otherwise).

(4) The amount treated as a profit under section 863J(2) and (5) of ITTOIA 2005 (vesting of remuneration represented by the allocated profit) is to be treated for the purposes of the Act as if it were profits—

- (a) to which section 15(1) of the Act (class 4 contributions recoverable under the Income Tax Acts) applies; and
- (b) made by P in the tax year in which that profit is chargeable to income tax under Chapter 2 of Part 2 of ITTOIA 2005.

(5) In this regulation—

“AIFM firm” and “AIFM trade” have the meanings given in section 863H(3) and (4) of ITTOIA 2005; and

“ITTOIA 2005” means the Income Tax (Trading and Other Income) Act 2005.]

Textual Amendments

- F4** Reg. 94B inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Social Security \(Contributions\) \(Amendment No. 5\) Regulations 2014 \(S.I. 2014/3196\)](#), regs. 1(2), **2(2)**

Deferment of Class 4 liability where such liability is in doubt **U.K.**

95. Where, as respects any year of assessment [^{F5}before the tax year 2015-16], it appears to the Board that, by virtue of the provisions of this Part, there is doubt as to the extent, if any, of an earner’s liability to pay contributions under section 15 of the Act (Class 4 contributions) for that year, or that at the date on which any application under regulation 96 is made, it is not possible to determine whether, having regard to the provisions of these Regulations, the earner is or will be liable to pay such contributions for that year, the Board may issue in respect of the earner a certificate of deferment deferring that earner’s liability for such contributions [^{F6}and for such period] as the Board may direct.

Textual Amendments

- F5** Words in reg. 95 inserted (6.4.2015) by [The Social Security \(Miscellaneous Amendments No. 2\) Regulations 2015 \(S.I. 2015/478\)](#), regs. 1(4), **15**
- F6** Words in reg. 95 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), **12**

Application for deferment of Class 4 liability **U.K.**

96.—(1) If a person wishes his liability to pay contributions under section 15 of the Act for any year of assessment to be deferred, he shall make an application for that purpose to the Board.

(2) Any such application—

- (a) shall be made before the beginning of that year or before such later date as the Board may allow; and
- (b) is subject to regulations 97 and 98.

General conditions for application for, and issue of, certificates of exception and deferment **U.K.**

97.—(1) Any application made under any of regulations 91 to 96, for a certificate of exception from, or deferment of, liability to pay contributions under section 15 of the Act for any particular year of assessment shall be made in such form and in such manner as the Board may approve.

(2) Any person making such application shall furnish, or cause to be furnished, to the Board such information or evidence as they may require for the purpose of enabling them to determine whether such a certificate should be issued in respect of that person.

(3) On the issue of such a certificate the person in respect of whom the certificate is issued shall be excepted from liability to pay the contributions to which the certificate relates or his liability for such payment shall be deferred.

This is subject to paragraph (4).

(4) If, for the purpose of obtaining a certificate of exception or deferment, the person making the application furnishes or causes to be furnished to the Board information which is erroneous, or fails to furnish or cause to be furnished to them information which is relevant, and but for such furnishing or failure the certificate would not have been issued for any particular year of assessment—

- (a) the Board may revoke the certificate in so far as it relates to that year; and
- (b) the person who made the application shall be liable to pay contributions under section 15 of the Act for that year to the extent to which he would have been so liable if the certificate had not been issued.

Revocation of certificates of exception and deferment **U.K.**

98. Where under regulation 97(4)(a) the Board revoke a certificate of exception or deferment—

- (a) they shall be responsible for calculating the contributions due under section 15 of the Act for the year specified in paragraph 97(4)(b) (being the current or a past year) and for the collection of those contributions;
- (b) the applicant shall—
 - (i) furnish, or cause to be furnished, to the Board all such information or evidence as they may require for the purpose of calculating those contributions, and
 - (ii) within such period as the Board may direct, pay to them the contributions so calculated.

Calculation of liability for, and recovery of, Class 4 contributions after issue of certificate of deferment **U.K.**

99.—(1) Where a certificate of deferment has been issued in respect of any earner under regulations 91 to 98—

- (a) the profits or gains of that earner, in respect of which contributions would be payable under section 15 of the Act (Class 4 contributions), but for the issue of the certificate of deferment, shall be assessed under the Income Tax Acts for each year to which the certificate relates, in all respects as if no such certificate had been issued, provided that (without prejudice to the validity of the assessment of the amount of the earner's profits or gains and his right of appeal against that assessment) no figure representing [^{F7}contributions, the payment of which has been deferred,] shall be shown in any such assessment or on any notice of such assessment nor shall any of the provisions of the Income Tax Acts (as applied or modified by section 16 of, and Schedule 2 to, the Act) as to collection, repayment or recovery apply to any such assessment; and

(b) the Board shall be responsible for the calculation, administration and recovery of Class 4 contributions ultimately payable in respect of the profits or gains so assessed for any year of assessment to which the certificate of deferment relates.

(2) Any such calculation shall be subject to the provisions of regulations 94 and 100 and for the purpose of the calculation where the total amount of the profits or gains for any year of assessment to which the certificate relates includes a fraction of £1, that fraction shall be disregarded.

(3) For the purpose of enabling the Board to make the calculation, they shall certify the amount of the earner's profits or gains, computed under Schedule 2 to the Act for each year of assessment. [F8This is subject to the following qualification.]

(4) Notwithstanding paragraph (3), the Board shall not be required to certify the amount referred to in that paragraph unless the assessment made under this regulation has become [F9final and conclusive.]—

- (a) the Board and the earner have come to an agreement, whether in writing or otherwise; or
- (b) it appears to the General Commissioners or the Special Commissioners;

that the amount of the earner's profits or gains so computed is not less than the higher of the two money sums specified in section 15(3) of the Act.

(5) The Board, on making the calculation referred to in paragraph (3), shall give notice to the earner of the amount of the contributions due from him under section 15 of the Act for each year to which the certificate of deferment relates.

(6) The earner shall pay to the Board those contributions within the period of 28 days from the receipt of the notice from them, unless before the expiry of that period the earner—

- (a) has appealed out of time or made a claim or appealed against the decision on a claim made under the Income Tax Acts on any matter concerning the amount of the profits or gains certified as mentioned in paragraph (3), and has notified the Board accordingly; or
- (b) has appealed against a decision made under section 8 of the Transfer Act relating to those contributions.

(7) If the amount of any assessment made under this regulation for any year is altered for any reason, or if a further assessment is made in respect of that year, subsequently to the certification by the Board of the amount of an earner's profits or gains computed in accordance with the provisions of this regulation and that alteration or further assessment affects the amount of the earner's profits or gains so computed they shall immediately, or in the case of a further assessment when that further assessment has become final and conclusive, certify to the earner the altered amount of the earner's profits or gains.

Textual Amendments

- F7 Words in reg. 99(1)(a) 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), **13(2)**
- F8 Words in reg. 99(3) 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), **13(3)**
- F9 Words in reg. 99(4) 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), **13(4)**

Annual maximum of Class 4 contributions due under section 15 of the Act **U.K.**

[F10**100.**—(1) If, in respect of any year, there are payable by or in respect of an earner Class 4 contributions under section 15 of the Act and also—

- (a) primary Class 1 contributions ^{F11}...

^{F12}(b)

paragraph (2) applies.

(2) If this paragraph applies, the earner’s liability for Class 4 contributions shall not exceed the maximum found in accordance with paragraph (3).

(3) The maximum is found as follows.

Step One

Subtract the lower profits limit from the upper profits limit for the year.

Step Two

Multiply the result of Step One by [^{F13}6%].

^{F14} ...

Step Four

Subtract from the result of [^{F15}Step Two] the aggregate amount of ^{F16}... primary Class 1 contributions paid at the main primary percentage.

The application of the following steps is determined by reference to the following three Cases.

Case 1

If the result of this step is a positive value, and exceeds the aggregate of—

- (a) primary Class 1 contributions payable at the main primary percentage,
- (b) ^{F17} ...
- (c) Class 4 contributions payable at the main Class 4 percentage,

in respect of the earner’s earnings, profits and gains for the year, the result of this step is the maximum amount of Class 4 contributions payable.

Case 2

If the result of this step is a positive value, but does not exceed the aggregate mentioned in Case 1, the result of this step is the maximum amount of Class 4 contributions payable at the main Class 4 percentage.

Case 3

If the result of this step is a negative value, the maximum amount of a Class 4 contribution payable at the main Class 4 percentage is nil and the result of this step is treated as nil.

If Case 1 applies, Steps Five to Nine do not, but if Case 2 or Case 3 applies those Steps do apply.

Step Five

Multiply the result of Step Four by [^{F18}100/6]

1009

Step Six

Subtract the lower profits limit from the lesser of the upper profits limit and the amount of profits for the year.

Step Seven

Subtract the result of Step Five from the result of Step Six.

If the result of this step is a negative value, it is treated as nil.

Step Eight

Multiply the result of Step Seven by [^{F19}2 per cent].

Step Nine

Multiply the amount by which the profits and gains for the year exceed the upper profits limit for the year by [^{F20}2 per cent].

The maximum amount of Class 4 contributions payable is—

- (a) where Case 1 of Step Four applies, the result of that step, and
- (b) where Case 2 or Case 3 of Step Four applies, the amount produced by adding together the results of Steps Four, Eight and Nine.

This is subject to the qualifications in paragraphs (4) to (6).

In this paragraph—

“lower profits limit” means the lesser of the two monetary sums specified in section 15(3) (a) of the Act; and

“upper profits limit” means the greater of those sums.

(4) [^{F21}For the purpose only of determining the extent of the earner’s liability for contributions under paragraph (3), the amount of a primary Class 1 contribution which would otherwise be payable at the main primary percentage but which is paid at a rate less than [^{F22}the rate specified as the main primary percentage] because the earner is a married woman who has made an election to pay contributions at the reduced rate as mentioned in regulation 127, shall be treated as equal to the amount of the primary Class 1 contribution payable at the main primary percentage, which would be so payable if the election had not been made.]

^{F23}(5)

(6) Notwithstanding paragraphs (1) to [^{F24}(4)], an earner shall be liable, in the first instance, for the full amount of the contributions which would have been payable but for this regulation.]

Textual Amendments

- F10** Reg. 100 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), **14**
- F11** Words in [reg. 100\(1\)\(a\)](#) omitted (6.4.2024) by virtue of [The Social Security \(Class 2 National Insurance Contributions\) \(Consequential Amendments and Savings\) Regulations 2024 \(S.I. 2024/377\)](#), regs. 1(1), **6(5)(a)(i)** (with reg. 1(4))
- F12** [Reg. 100\(1\)\(b\)](#) omitted (6.4.2024) by virtue of [The Social Security \(Class 2 National Insurance Contributions\) \(Consequential Amendments and Savings\) Regulations 2024 \(S.I. 2024/377\)](#), regs. 1(1), **6(5)(a)(ii)** (with reg. 1(4))
- F13** Word in [reg. 100\(3\)](#) substituted (6.4.2024 immediately before 2024 c. 5 comes into force) by [National Insurance Contributions \(Reduction in Rates\) Act 2024 \(c. 5\)](#), **ss. 2(1)(3)(a)**, 3(1)
- F14** Words in [reg. 100\(3\)](#) omitted (6.4.2024) by virtue of [The Social Security \(Class 2 National Insurance Contributions\) \(Consequential Amendments and Savings\) Regulations 2024 \(S.I. 2024/377\)](#), regs. 1(1), **6(5)(b)(i)** (with reg. 1(4))
- F15** Words in [reg. 100\(3\)](#) substituted (6.4.2024) by [The Social Security \(Class 2 National Insurance Contributions\) \(Consequential Amendments and Savings\) Regulations 2024 \(S.I. 2024/377\)](#), regs. 1(1), **6(5)(b)(ii)** (with reg. 1(4))
- F16** Words in [reg. 100\(3\)](#) omitted (6.4.2024) by virtue of [The Social Security \(Class 2 National Insurance Contributions\) \(Consequential Amendments and Savings\) Regulations 2024 \(S.I. 2024/377\)](#), regs. 1(1), **6(5)(b)(ii)** (with reg. 1(4))
- F17** Words in [reg. 100\(3\)](#) omitted (6.4.2024) by virtue of [The Social Security \(Class 2 National Insurance Contributions\) \(Consequential Amendments and Savings\) Regulations 2024 \(S.I. 2024/377\)](#), regs. 1(1), **6(5)(b)(iii)** (with reg. 1(4))

- F18** Word in reg. 100(3) substituted (6.4.2024 immediately before 2024 c. 5 comes into force) by National Insurance Contributions (Reduction in Rates) Act 2024 (c. 5), ss. 2(1)(3)(b), 3(1)
- F19** Words in reg. 100(3) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Social Security (Contributions) (Amendment) Regulations 2012 (S.I. 2012/573), regs. 1(1), 2(3)(a)(iii)
- F20** Words in reg. 100(3) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Social Security (Contributions) (Amendment) Regulations 2012 (S.I. 2012/573), regs. 1(1), 2(3)(a)(vi)
- F21** Reg. 100(4) substituted (6.4.2016) by The Social Security (Contributions) (Amendment) (No. 2) Regulations 2016 (S.I. 2016/352), regs. 1, 15 (with reg. 20)
- F22** Words in reg. 100(4) substituted by National Insurance Contributions (Reduction in Rates) Act 2023 (c. 57), Sch. para. 2(3)(4)
- F23** Reg. 100(5) omitted (6.4.2024) by virtue of The Social Security (Class 2 National Insurance Contributions) (Consequential Amendments and Savings) Regulations 2024 (S.I. 2024/377), regs. 1(1), 6(5)(c) (with reg. 1(4))
- F24** Word in reg. 100(6) substituted (6.4.2024) by The Social Security (Class 2 National Insurance Contributions) (Consequential Amendments and Savings) Regulations 2024 (S.I. 2024/377), regs. 1(1), 6(5)(d) (with reg. 1(4))

Modifications etc. (not altering text)

- C1** Reg. 100 modified (for the tax year 2022-23) by Health and Social Care Levy (Repeal) Act 2022 (c. 43), Sch. para. 6(2)

Disposal of Class 4 contributions under section 15 of the Act which are not due **U.K.**

101. Where for any year of assessment any payment is made by an earner as on account of contributions under section 15 of the Act (Class 4 contributions) and—

- (a) a certificate of exception is issued for that year, or would have been so issued if application had been made for its issue before the beginning of that year;
- (b) that payment is made in error^{F25} ...;
- (c) the payment is in excess of the amount which, subject to an exception under regulation 94, is due from that earner for that year or would have been so due if application for exception had been made under that regulation before the beginning of that year; or
- (d) the payment is in excess of the amount calculated in accordance with regulation 100,

the Board may treat that payment as made on account of other contributions properly payable by that person under the Act.

Textual Amendments

- F25** Words in reg. 101(b) omitted (8.10.2002) by virtue of The Social Security (Contributions) (Amendment No. 3) Regulations 2002 (S.I. 2002/2366), regs. 1, 14

Repayment of Class 4 contributions under section 15 of the Act which are not due **U.K.**

102.—(1) Subject to paragraph (2), any payment such as is specified in regulation 101 shall, except in so far as it is, under that regulation, treated by the Board as made on account of contributions under the Act, be repaid [^{F26}to the earner], unless the net amount of such repayment would not exceed in value 50 pence.

[^{F27}(2) It is a condition of repayment under this regulation that the earner makes an application for the repayment—

- (a) in such form and manner as the Board may determine; and

- (b) in the case of contributions falling within paragraph (b) of regulation 101, within the time prescribed in paragraph (3).]
- (3) The period referred to in paragraph (2) is one of—
- (a) six years beginning with 6th April in the year of assessment next following that in respect of which the payment was made where the application is in respect of any year of assessment ending before 6th April 1996,
 - (b) five years beginning with 1st February in the year of assessment next following that in respect of which the payment was made where the application is in respect of any year of assessment beginning on or after 6th April 1996, or
 - (c) if later than sub-paragraph (a) or (b), two years beginning with 6th April in the year of assessment next following that in which the payment was made.

Textual Amendments

- F26** Words in reg. 102(1) substituted (8.10.2002) by [The Social Security \(Contributions\) \(Amendment No. 3\) Regulations 2002 \(S.I. 2002/2366\)](#), regs. 1, **15(a)**
- F27** Reg. 102(2) substituted (8.10.2002) by [The Social Security \(Contributions\) \(Amendment No. 3\) Regulations 2002 \(S.I. 2002/2366\)](#), regs. 1, **15(b)**

Class 4 liability of earners treated as self-employed earners who would otherwise be employed earners **U.K.**

- 103.**—(1) Subject to regulation 108, where—
- (a) an earner, in respect of any one or more employments of his, is treated by regulations under section 2(2)(b) of the Act (treatment of a person in employment of any prescribed description as falling in one or other of the categories of earner) as being self-employed;
 - (b) in any year he has earnings from any such employment (one or more) which fall within section 11(3) of the Act (higher weekly rate of Class 2 contributions), but is not liable for a higher weekly rate of Class 2 contributions by virtue of regulations under that section;
 - (c) those earnings are chargeable to income tax [^{F28}as general earnings]; and
 - (d) the total of those earnings exceeds the sum specified in section 18(1)(c) of the Act,
- paragraph (2) applies.

(2) If this paragraph applies, the earner shall be liable, in respect of the earnings mentioned in paragraph (1), to pay a Class 4 contribution (referred to in this Part as a “special Class 4 contribution”) [^{F29}of an amount equal to the aggregate of—

- (a) the main Class 4 percentage of so much of the total of those earnings as exceeds the lower, but does not exceed the higher, of the money sums, and
- (b) the additional Class 4 percentage of so much of the total of those earnings as exceeds the higher of the money sums,

for the time being specified in section 18(1A).]

Textual Amendments

- F28** Words in reg. 103(1)(c) substituted (6.4.2004) by [The Social Security \(Contributions, Categorisation of Earners and Intermediaries\) \(Amendment\) Regulations 2004 \(S.I. 2004/770\)](#), regs. 1(1), **24**
- F29** Words in reg. 103(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), **15**

Notification of national insurance number and recording of category letter on deductions working sheet **U.K.**

104.—(1) Any earner to whom regulation 103 applies shall, on request, notify his national insurance number to the person who pays him the earnings referred to in that regulation.

(2) The person who pays those earnings shall record on the earner’s deductions working sheet the earner’s national insurance number, and the appropriate category letter as indicated by the Board.

(3) In this regulation “deductions working sheet” has the same meaning as in Schedule 4.

Calculation of earnings for the purposes of special Class 4 contributions **U.K.**

105. For the purpose of the calculation of an earner’s liability for a special Class 4 contribution for any year—

- (a) the earnings of that earner for that year shall, subject to paragraph (b), be calculated by the Board on the basis that they are earnings to which regulations 24 and 25 and Schedules 2 and 3 apply;
- (b) in the calculation of these earnings, if the total amount of the earnings for the year includes a fraction of a pound, that fraction shall be disregarded.

Notification and payment of special Class 4 contributions due **U.K.**

106. The Board shall, subject to any other arrangements notified by them to the earner specified in regulation 105, give notice to the earner of the special Class 4 contribution due from him for any year, and the earner shall pay that contribution to the Board within the period of 28 days from the receipt of the notice unless, before the expiry of that period, the earner has appealed against a decision made under section 8 of the Transfer Act relating to that contribution.

Recovery of deferred Class 4 and special Class 4 contributions after appeal, claim or further assessment under the Income Tax Acts or appeal under section 8 of the Transfer Act **U.K.**

107.—(1) Where—

- (a) the Board have been notified that there has been such a claim or appeal as is specified in regulation 99(6) or regulation 106; or
- (b) the Board have certified in accordance with regulation 99(7) an altered amount of earner’s profits or gains,

paragraph (2) applies.

(2) If this paragraph applies, the Board shall, as soon as may be after the prescribed time, give to the earner notice or, as the case may be, revised notice of such contributions as might, having regard to the final decision on the claim or appeal or, the altered amount of profits or gains, be due from the earner—

- (a) under section 15 of the Act (Class 4 contributions) for the year or years to which the certificate referred to in regulation 99(7) relates; or
- (b) by way of a special Class 4 contribution for the year to which the notice specified in regulation 106 relates,

and the earner shall within 28 days of receipt of that notice pay to the Board the contribution or contributions specified in that notice.

(3) In this regulation “prescribed time” means—

- (a) except where sub-paragraph (c) applies—
 - (i) in the case of an appeal out of time, the date of the determination of the appeal, and

- (ii) in the case of a claim or appeal against a decision on a claim made under the Income Tax Acts, the date on which the time for appealing against the decision on the claim expires, or the date of the determination of the appeal, whichever is the later;
- (b) in the case of an appeal under section 8 of the Transfer Act, the date on which the time for appealing against that decision expires or the date of the determination of the appeal, whichever is the later;
- (c) in the case of an altered amount of profits or gains being certified by the Board, the date on which they are so certified.

Annual maximum of special Class 4 contribution U.K.

108.—(1) Where for any year there are payable (or, but for this regulation, there would be payable) by or in respect of an earner a special Class 4 contribution and also any contribution under section 15 of the Act (in this regulation referred to as “an ordinary Class 4 contribution”) or any primary Class 1 contribution or any Class 2 contribution, or any combination of such contributions, the maximum amount of the special Class 4 contribution payable for that year shall not exceed the maximum specified in paragraph (2).

(2) The maximum is—

- (a) in the case of a special Class 4 contribution and an ordinary Class 4 contribution, the amount (if any) equal to the difference between the maximum amount of a special Class 4 contribution for which provision is made in section 18(1) of the Act and the amount of the ordinary Class 4 contributions ultimately payable for that year; or
- (b) in any other case (whether or not a Class 4 contribution is also payable), the amount (if any) equal to the difference between the maximum amount prescribed in regulation 100 and the amount of such Class 4, primary Class 1 and Class 2 contributions as are ultimately payable for that year.

(3) Paragraphs (1) and (2) are without prejudice to the earner’s liability in the first instance for the full amount payable apart from those paragraphs.

Disposal of special Class 4 contributions paid in excess or error U.K.

109. Where any payment has been made by a person on account of a special Class 4 contribution and that payment has been made in excess of the amount prescribed under regulation 108 or has been made in error, the Board may treat that payment as made on account of other contributions properly payable by that person under the Act.

Return of special Class 4 contributions paid in excess or error U.K.

110.—(1) Subject to regulation 109 and paragraphs (2) and (3), where any payment has been made by a person as on account of a special Class 4 contribution and that payment has been made in excess of the amount prescribed in regulation 108 or has been made in error, that payment shall be returned by the Board to that person, unless the net amount to be returned does not exceed 50 pence, if application is made to the Board, in writing or in such other form and manner as the Board may allow, within the time specified in paragraph (3).

(2) In calculating the amount of any return of a special Class 4 contribution to be made under paragraph (1) there shall be deducted the amount (if any) treated under regulation 109 as paid on account of other contributions.

(3) Any person desiring to apply for the return of a special Class 4 contribution [^{F30}the applicant] shall make the application within the period of six years from the end of the year in which the contribution [^{F31}was due to be paid.

This is subject to the following qualification.

If the application is made after the end of that period, an officer of the Board shall admit it if satisfied that—

- (a) the applicant had reasonable excuse for not making the application within that period; and
- (b) the application was made without unreasonable delay after the excuse had ceased.]

Textual Amendments

- F30** Words in reg. 110(3) inserted (8.10.2002) by [The Social Security \(Contributions\) \(Amendment No. 3\) Regulations 2002 \(S.I. 2002/2366\)](#), regs. 1, **16(a)**
- F31** Words in reg. 110(3) substituted (8.10.2002) by [The Social Security \(Contributions\) \(Amendment No. 3\) Regulations 2002 \(S.I. 2002/2366\)](#), regs. 1, **16(b)**

Changes to legislation:

There are currently no known outstanding effects for the The Social Security (Contributions) Regulations 2001, PART 8.