
STATUTORY INSTRUMENTS

2001 No. 45

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

Amendments to the Social Security (Contributions) Regulations 1979

2.—(1) Amend regulation 53A of the Social Security (Contributions) Regulations 1979⁽¹⁾ (notification of commencement or cessation of payment of Class 2 or Class 3 contributions) as follows.

(2) In paragraph (1) after “notify” insert “the relevant date to”.

(3) After paragraph (3) add—

“(4) Subject to paragraph (9) of this regulation, where a person becomes liable to pay a Class 2 contribution and fails to notify immediately the Inland Revenue in accordance with paragraph (1) of this regulation, he shall be liable to a penalty of £100.

(5) The penalty referred to in paragraph (4) of this regulation shall be incurred on the following date—

- (a) in the case of a failure which first occurs on or after 31st January 2001 and continues throughout the period of 3 calendar months beginning with the first day of the calendar month following that in which he becomes liable to pay a Class 2 contribution, the date after the day on which that period ends; or
- (b) in the case of a failure which first occurs before 31st January 2001 and continues throughout the period beginning with that date and ending on 30th April 2001, 1st May 2001.

(6) The penalty referred to in paragraph (4) of this regulation may be imposed by a notice of decision by an officer of the Inland Revenue under section 8(1)(k)(ii) of the Social Security Contributions (Transfer of Functions, etc.) Act 1999 within 6 years after the date on which the penalty is incurred in accordance with the provisions of paragraph (5) of this regulation.

(7) The penalty referred to in paragraph (4) of this regulation—

- (a) shall be due and payable at the end of the period of 30 days beginning with the date of the issue of the notice of decision referred to in paragraph (6) of this regulation; and
- (b) shall be recoverable as if it were a Class 2 contribution due and payable.

(8) The Inland Revenue may, in their discretion, mitigate or remit any penalty imposed in accordance with the provisions of this regulation, or stay or compound any proceedings for it.

(9) For the purposes of paragraph (4) of this regulation, a person shall be deemed not to fail to notify immediately the Inland Revenue in accordance with paragraph (1) of this regulation if that person—

(1) S.I. 1979/591; regulation 53A was inserted by regulation 4 of S.I. 1993/260 and amended by regulation 8 of S.I. 2000/2343.

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- (a) notifies the Inland Revenue within such further time, if any, as the Inland Revenue may allow;
- (b) has a reasonable excuse for not notifying the Inland Revenue and, if that excuse ceases, notifies the Inland Revenue without unreasonable delay after it ceases; or
- (c) shows to the satisfaction of the Inland Revenue that his earnings met the conditions set out in regulation 25(1) of these Regulations (earnings for the purposes of certificates of exception) for the purposes of section 11(4)(2) of the Social Security Contributions and Benefits Act 1992 throughout the period beginning on the date on which he became liable to pay a Class 2 contribution and ending on the date on which he notified the Inland Revenue.”.