
STATUTORY INSTRUMENTS

2002 No. 307

**The Social Security (Contributions)
(Amendment No. 2) Regulations 2002**

Amendment of the principal Regulations

5. After regulation 22 insert—

“Amounts to be treated as earnings in connection with the use of qualifying vehicles other than cycles

22A.—(1) To the extent that it would not otherwise be earnings, the amount specified in paragraph (2) shall be so treated.

(2) The amount is that produced by the formula—

$$\text{RME} - \text{QA}$$

Here—

RME is the aggregate of relevant motoring expenditure within the meaning of paragraph (3) in the earnings period; and

QA is the qualifying amount calculated in accordance with paragraph (4).

(3) A payment is relevant motoring expenditure if—

- (a) it is a mileage allowance payment within the meaning of section 197AD(2) of the Taxes Act(1);
- (b) it would be such a payment but for the fact that it is paid to another for the benefit of the employee; or
- (c) it is any other form of payment, except a payment in kind, made by or on behalf of the employer, and made to, or for the benefit of, the employee in respect of the use by the employee of a qualifying vehicle.

Here “qualifying vehicle” has the same meaning as in Schedule 12AA to the Taxes Act, but does not include a cycle within the meaning of section 192(1) of the Road Traffic Act 1988(2).

(4) The qualifying amount is the product of the formula—

$$M \times R$$

Here—

M is the sum of—

- (a) the number of miles of business travel undertaken, at or before the time when the payment is made—
 - (i) in respect of which the payment is made, and

(1) Section 197AD was inserted by section 57(1) of the Finance Act 2001.

(2) 1988 c. 52. There are amendments to section 192 which are not relevant for the purposes of this instrument.

Status: This is the original version (as it was originally made).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

- (ii) in respect of which no other payment has been made; and
- (b) the number of miles of business travel undertaken—
 - (i) since the last payment of relevant motoring expenditure was made, or, if there has been no such payment, since the employment began, and
 - (ii) for which no payment has been, or is to be, made; and

R is the rate applicable to the vehicle in question, at the time when the payment is made, in accordance with paragraph 4(2) of Schedule 12AA to the Taxes Act and, if more than one rate is applicable to the class of vehicle in question, is the higher or highest of those rates.”