

2002 No. 705

SOCIAL SECURITY, NORTHERN IRELAND

**The Social Security Contributions (Intermediaries)
(Northern Ireland) (Amendment) Regulations 2002**

Made - - - - -	14th March 2002
Laid before Parliament	15th March 2002
Coming into force - -	6th April 2002

The Treasury, with the concurrence of the Department for Social Development(a), in exercise of the powers conferred on them by sections 4A, 121(1) and 171(3), (4) and (10) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(b), and of all other powers enabling them in that behalf, hereby make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Social Security Contributions (Intermediaries) (Northern Ireland) (Amendment) Regulations 2002 and shall come into force on 6th April 2002.

(2) These Regulations have effect for the year of assessment 2002–03 and subsequent years of assessment and apply in relation to services performed, or to be performed, on or after 6th April 2002.

(3) Payments or other benefits in respect of such services received before that date shall be treated as if received in the year of assessment 2002–03.

Interpretation

2. In these Regulations “the principal Regulations” means the Social Security Contributions (Intermediaries) (Northern Ireland) Regulations 2000(c) and “regulation” means a regulation of the principal Regulations.

(a) The functions of the Department of Health and Social Services for Northern Ireland under the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7) were transferred to the Department for Social Development by Article 8(b) of, and Part II of Schedule 6 to, the Departments (Transfer and Assignment of Functions) Order (Northern Ireland) 1999 (S.R. 1999 No. 481).

(b) 1992 c. 7. Section 4A was inserted by section 76 of the Welfare Reform and Pensions Act 1999 (c. 30). Section 121(1) is cited because of the definition it contains of the word “prescribe”. Section 171 (10) was substituted by paragraph 28(3) of Schedule 3 to the Social Security Contributions (Transfer of Functions etc.) (Northern Ireland) Order 1999 (S.I. 1999/671).

(c) S.I. 2000/728.

Amendments to the principal Regulations

3. In regulation 2(1) for the definition of “the Contributions Regulations” substitute the following definition—

““the Contributions Regulations” means the Social Security (Contributions) Regulations 2001(a);”.

4. In regulation 7(1), in paragraph (a) of Step Seven, for “ 17A” substitute “22(2)”.

5. After regulation 7(5) add the following paragraphs—

“(6) The reference in Step Three of the calculation in paragraph (1) to expenses met by the intermediary includes expenses met by the worker and reimbursed by the intermediary.

(7) Where the intermediary is a partnership and the worker is a member of the partnership, expenses met by the worker for and on behalf of the intermediary shall be treated for the purposes of paragraph (6) as expenses met by the worker and reimbursed by the intermediary.

(8) Where—

(a) the intermediary provides a vehicle for the worker, and

(b) the worker would have been entitled to an amount of mileage allowance relief under section 197AF of the Taxes Act(b) for a tax year in respect of the use of the vehicle if the worker had been employed by the client, or would have been so entitled if the worker had been employed by the client and the vehicle had not been a company vehicle,

Step Three of the calculation in paragraph (1) shall have effect as if that amount were an amount of expenses deductible under that Step.

(9) Where—

(a) the intermediary, is a partnership,

(b) the worker is a member of the partnership, and

(c) the worker provides a vehicle for the purposes of the business of the partnership, then for the purposes of paragraph (8) the vehicle shall be regarded as provided by the intermediary for the worker.

(10) Where the intermediary makes payments to the worker that are exempt from income tax under Schedule E by virtue of section 197AD or 197AE of the Taxes Act (mileage allowance payments and passenger payments), paragraph (a) of Step Seven of the calculation in paragraph (1) shall have effect as if the intermediary had made payments to the worker that constituted remuneration derived from the worker’s employment by the intermediary.”.

6.—(1) In regulation 8—

(a) in paragraph (2) for “6A” substitute “8”;

(b) in paragraph (5) after sub-paragraph (c) add—

“(d) the company ceasing to trade.”.

Tony McNulty
John Heppell

14th March 2002

Two of the Lords Commissioners of Her Majesty’s Treasury

The Department for Social Development hereby concurs.

Sealed with the Official Seal of the Department for Social Development on 12th March 2002.



John O’Neill
Senior Officer of the Department for Social Development

(a) S.I. 2001/1004.

(b) 1988 c. 1. Sections 197AD to 197AH of the Income and Corporation Taxes Act 1988 were inserted by section 57(1) of the Finance Act 2001 (c. 9).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Social Security Contributions (Intermediaries) (Northern Ireland) Regulations 2000 (S.I. 2000/728) (“the principal Regulations”) with effect from 6th April 2002.

Regulation 1 provides for citation, commencement and effect, and regulation 2 for interpretation.

Regulations 3, 4 and 6(a) make consequential amendments following the consolidation of regulations relating to national insurance contributions in the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004).

Regulation 5 extends regulation 7 of the principal Regulations (calculation of worker’s attributable earnings) so as to cater for cases where expenses are met and reimbursed by the intermediary, and cases involving mileage allowance relief and mileage allowance payments.

Regulation 6(b) amends regulation 8(5) (worker’s attributable earnings—deemed payment) so as to provide, in a case where the intermediary is a company which ceases to trade in the course of a year of assessment, that the deemed payment of worker’s attributable earnings is treated as made on the date that the company ceases to trade and not on the later date of 5th April in that year.

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