

**EXPLANATORY MEMORANDUM TO**  
**THE SOCIAL SECURITY (CATEGORISATION OF EARNERS)**  
**(AMENDMENT) REGULATIONS 2006**

**S.I. 2006 No. 1530**

**THE SOCIAL SECURITY (CATEGORISATION OF EARNERS)**  
**(AMENDMENT) (NORTHERN IRELAND) REGULATIONS 2006**

**S.I. 2006 No. 1531**

1. This explanatory memorandum has been prepared by the HM Revenue and Customs and is laid before Parliament by Command of Her Majesty.
2. **Description**

Following the relocation of the Brigade of Gurkhas to the UK and the change in immigration status of Gurkhas, these instruments amend the Social Security (Categorisation of Earners) Regulations 1978 (S.I. 1978 No. 1689) and the Social Security (Categorisation of Earners) Regulations (Northern Ireland) 1978 (S.R. 1978 No. 401). The amendments to these regulations will omit the disregard that currently prevents the payment of National Insurance contributions where there exists an employment as a Queen's Gurkha Officer or as any other member of the Brigade of Gurkhas of a person who was recruited for that Brigade in Nepal. These instruments come into force on 5th July 2006.
3. **Matters of special interest to the Joint Committee on Statutory Instruments**

None
4. **Legislative Background**

These instruments use the powers at sections 2(2)(a), 2(2)(b) and (2A) of the Social Security Contributions and Benefits Act 1992 and the powers at sections 2(2)(a) and (2A) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992. The instruments make amendments to the Social Security (Categorisation of Earners) Regulations 1978 (S.I. 1978/1689) and the Social Security (Categorisation of Earners) Regulations (Northern Ireland) 1978 (S.R. 1978 No. 401).
5. **Extent**

The Social Security (Categorisation of Earners) (Amendment) Regulations 2006 apply to Great Britain. The Social Security (Categorisation of Earners) (Amendment) (Northern Ireland) Regulations 2006 apply to Northern Ireland.

## **6. European Convention on Human Rights**

This instrument is subject to the negative resolution procedure and does not amend primary legislation. Accordingly, no statement of compliance with the European Convention on Human Rights is required.

## **7. Policy background**

The Social Security (Categorisation of Earners) Regulations 1978 (S.I. 1978/1689) and the Social Security (Categorisation of Earners) Regulations (Northern Ireland) 1978 (S.R. 1978 No. 401) provide: -

- (a) for employment of a prescribed description to be disregarded in relation to the liability for contributions which would otherwise arise from employment of that description;
- (b) for a person in employment of any prescribed description to be treated as falling within a category of earner other than that in which he would otherwise fall; and
- (c) paragraph 13, Column (A) of Part 3 of Schedule 1 disregards, for the purposes of payment of contributions, employment as a Queen's Gurkha Officer or as any other member of the Brigade of Gurkhas of a person who was recruited for that Brigade in Nepal. Regulation 2 of this instrument omits this disregard so that such employment will count for the payment of contributions for the purposes of contributory benefits. This regulation also makes consequential changes to paragraph 12 (a), Column (B) of Schedule 1. This will ensure that the employment of serving members of the Brigade of Gurkhas who are employed as a member of any international headquarters, will count for the payment of contributions for the purposes of contributory benefits.

## **8. Impact**

These regulations do not impose any new costs on business. There is a public sector cost in that the Ministry of Defence will be liable to pay employers National Insurance Contributions. There will be a small increase in benefit expenditure, which in the main, will arise from the payment of the state pension when ex-members of the Brigade of Gurkhas reach state pension age.

## **9. Contact**

Raj Nayyar  
Her Majesty's Revenue and Customs  
1E/09  
100 Parliament Street  
London SW1A 2BQ  
Tel: 0207 147 2521  
Fax: 0207 147 2531