
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend Schedule 4 to the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004) (“the principal Regulations”). That Schedule is concerned with provisions that are derived from the Income Tax (Pay As You Earn) Regulations 2003 (S.I. 2003/2682).

Paragraph 21A requires a Real Time Information employer (as defined in paragraph 1(4) and (5) of Schedule 4 to the principal Regulations) to deliver the information specified in Schedule 4A to Her Majesty’s Revenue and Customs (“HMRC”) on or before making a payment of general earnings. Regulation 3 amends this requirement for an employer which, as at 6th October 2013, employs no more than 49 employees. During the period beginning on 6th October 2013 and ending on 5 April 2014 those employers must deliver the information specified in Schedule 4A to the principal Regulations by the end of the tax month in which the payment is made. A tax month runs from 6th of one month to the 5th of the following month.

Regulation 4 makes an amendment to paragraph 21EA of the principal Regulations which makes provision for the situation where an employer has failed to notify the information specified in Schedule 4A on or before the payment of general earnings. Where an employer has not delivered the information before 20th May following the tax year in question, the employer will be liable to a penalty. Regulation 4 amends paragraph 21EA to clarify that where an employer does not deliver the information to HMRC until after 19th May following the tax year in question, the employer may be liable to a penalty from that date.

A Tax Information and Impact Note was published on 15th March 2012 alongside the Income Tax (Pay As You Earn) (Amendment) Regulations 2012 (S.I. 2012/822) and the Social Security (Contributions) (Amendment No. 3) Regulations (S.I. 2012/821). This was updated as a result of changes to the impacts as a result of the year long Real Time Information pilot and is available on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>. It remains an accurate summary of the impacts that apply to this instrument.