

2014 No. 1016

SOCIAL SECURITY

**The Social Security (Contributions) (Amendment No. 3)
Regulations 2014**

<i>Made</i> - - - -	<i>14th April 2014</i>
<i>Laid before Parliament</i>	<i>15th April 2014</i>
<i>Coming into force</i> - -	<i>6th May 2014</i>

These Regulations are made by the Commissioners for Her Majesty's Revenue and Customs in exercise of the powers conferred by paragraph 6(1) and (2) of Schedule 1 to the Social Security Contributions and Benefits Act 1992(a) and by paragraph 6(1) and (2) of Schedule 1 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992(b), now exercisable by them(c).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Social Security (Contributions) (Amendment No. 3) Regulations 2014 and come into force on 6th May 2014.

(2) These Regulations have effect in relation to amounts which are due and payable for the tax year 2014-15 and subsequent tax years.

Amendment of the Social Security (Contributions) Regulations 2001

2. Schedule 4 to the Social Security (Contributions) Regulations 2001 (provisions derived from the Income Tax Acts and the Income Tax (Pay As You Earn) Regulations 2003)(d) is amended as follows—

- (a) insert after paragraph 10(3A) (payment of earnings-related contributions monthly by employer)(e)—

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- (a) 1992 c. 4. Paragraph 6(1) and (2) was amended by paragraph 77 of Schedule 7 to the Social Security Act 1998 (c. 14). Paragraph 6(1) was amended by paragraph 35 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc) Act 1999 (c. 2), so that the power to be make regulations became exercisable by the Inland Revenue, and by paragraph 185 of Schedule 6 to the Income Tax (Earnings and Pensions) Act 2003 (c. 1).
- (b) 1992 c. 7. Paragraph 6(1) and (2) was amended by paragraph 58(8) and (9) of Schedule 6 to the Social Security (Northern Ireland) Order 1998 (S.I. 1998/1506 (N.I. 10)). Paragraph 6(1) was amended by paragraph 34 of Schedule 3 to the Social Security (Contributions) (Transfer of Functions, etc) (Northern Ireland) Order 1999 (S.I. 1999/671).
- (c) The functions of the Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(1) of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50(1) of that Act provides that, in so far as is appropriate in consequence of section 5, a reference, howsoever expressed, to the Commissioners of Inland Revenue is to be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.
- (d) S.I. 2001/1004, relevant amending instruments are S.I. 2003/193, 2004/770, 2006/576, 2007/1056, 2009/600, 2010/2450 2012/821 and 2013/622.
- (e) Paragraph 10 was amended by regulation 32 of S.I. 2004/770, regulation 8 of S.I. 2007/1056, regulation s 6 and 23 of S.I. 2012/821 and regulation 7 of S.I. 2013/622 which inserted paragraph 10(3A).

“(4) Where the amount specified in sub-paragraph (2) has been adjusted to take account of an error as provided for in sub-paragraph (3A) and the value of the adjustment is a negative amount, that amount is treated as having been paid to HMRC(a)—

- (a) 17 days after the end of the tax month(b) in which the correction is made if payment is made using an approved method of electronic communications(c), and
 - (b) 14 days after the end of the tax month in which the correction is made, in any other case.”;
- (b) insert after paragraph 11(3A) (payment of earnings-related contributions quarterly by employer)(d)—

“(3B) Where the amount specified in sub-paragraph (2) has been adjusted to take account of an error as provided for in sub-paragraph (3A) and the value of the adjustment is a negative amount, that amount is treated as having been paid to HMRC—

- (a) 17 days after the end of the tax quarter(e) in which the correction is made if payment is made using an approved method of electronic communications, and
 - (b) 14 days after the end of the tax quarter in which the correction is made, in any other case.”; and
- (c) insert after paragraph 11ZA(3) (payments to and recoveries from HMRC for each tax period by Real Time Information employers: returns under paragraph 21E(6) or 21EA(3))(f)—

“(3A) Where sub-paragraph (3) applies the negative amount is treated as having been paid to HMRC—

- (a) 17 days after the end of the final tax period(g) in the year covered by the return where payment is made using an approved method of electronic communication, and
- (b) 14 days after the end of the final tax period in the year covered by the return in any other case.”.

*Jim Harra
Ruth Owen*

14th April 2014

Two of the Commissioners for Her Majesty’s Revenue and Customs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004) (“the principal Regulations”) which make provision for the assessment, charge, collection and recovery of national insurance contributions.

Regulation 1 provides that these Regulations have effect in relation to amounts which are due and payable in respect of the tax year 2014-15 and subsequent tax years. As a consequence, these

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- (a) The term “HMRC” is defined in regulation 1(2) of S.I. 2001/1004 as Her Majesty’s Revenue and Customs which definition was inserted by regulation 3 of S.I. 2009/600.
 - (b) The term “tax month” is defined in paragraph 1(2) of Schedule 4 of S.I. 2001/1004.
 - (c) The term “approved method of electronic communication” is defined in regulation 1(2) of S.I. 2001/1004 and was inserted by regulation 36 of S.I. 2004/770. A method is an approved method of electronic communications if it has been approved by a direction issued by the Commissioners for Her Majesty’s Revenue and Customs. The most recent direction was issued in March 2012 providing that approved methods of electronic communication are “the services known as Direct Debit, BACS Direct Credit (including telephone and internet banking), CHAPS, debit and credit card over the internet (BillPay), Government Banking Services (formerly known as Paymaster), Bank Giro and payments made through the Post Office.”. A copy of that direction is available at <http://www.hmrc.gov.uk/ebu/irboardir.htm>.
 - (d) Paragraph 11 has been amended by regulation 16 of S.I. 2003/193, regulation 32 of S.I. 2004/770, regulation 9 of S.I. 2006/576, regulation 8 of S.I. 2007/1056, regulation 4 of S.I. 2010/2450, regulations 7, 24 and 25 of S.I. 2012/821 and regulation 8 of S.I. 2013/622.
 - (e) The term “tax quarter” is defined in paragraph 1(2) of Schedule 4 to S.I. 2001/1004.
 - (f) Paragraph 11ZA was inserted by regulation 9 of S.I. 2012/821 and has been amended by regulation 5 of S.I. 2013/622.
 - (g) The term “tax period” is defined in paragraph 1(2) of Schedule 4 to S.I. 2001/1004.

Regulations have effect in relation to payments which are due to Her Majesty's Revenue and Customs on, or after, 19th May 2014.

Regulation 2 makes amendments to Part 3 of Schedule 4 to the principal Regulations as a consequence of the charging of interest on national insurance contributions not paid by the due date and the payment of repayment interest on amounts overpaid in accordance with sections 101 and 102 of the Finance Act 2009 (c. 10). The amendments in paragraphs (a), (b) and (c) insert new sub-paragraphs into paragraphs 10, 11 and 11ZA respectively and make provision for the date from which repayment interest will be due where an overpayment arises as a consequence of a correction in a return either during the tax year to which the return relates or after the end of the tax year in question.

A Tax Information and Impact Note has not been prepared for this Instrument as it gives effect to previously announced policy.

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£4.25

UK2014041414 04/2014 19585

<http://www.legislation.gov.uk/id/uksi/2014/1016>

ISBN 978-0-11-111414-8



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