

2024 No. 822

SOCIAL SECURITY

**The Social Security (Contributions) (Amendment No. 4)
Regulations 2024**

<i>Made</i> - - - -	<i>25th July 2024</i>
<i>Laid before Parliament</i>	<i>26th July 2024</i>
<i>Coming into force</i> - -	<i>16th August 2024</i>

The Treasury make these Regulations in exercise of the powers conferred by section 3(2) and (3) of the Social Security Contributions and Benefits Act 1992(a) and section 3(2) and (3) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(b) and now exercisable by them.

Citation and commencement

1. These Regulations may be cited as the Social Security (Contributions) (Amendment No. 4) Regulations 2024 and come into force on 16th August 2024.

Amendment of the Social Security (Contributions) Regulations 2001

2. In Part 10 of Schedule 3 to the Social Security (Contributions) Regulations 2001 (payments to be disregarded in the calculation of earnings for the purposes of earnings-related contributions)(c), after paragraph 30 insert—

“Horizon Convictions Redress Scheme compensation payments and Horizon Shortfall Scheme Fixed Sum Awards

31.—(1) A payment of compensation made by the Department for Business and Trade to a person under the scheme announced by His Majesty’s Government on 13th March 2024 to compensate people who have a conviction involving the Horizon system quashed by legislation.

(a) 1992 c. 4. Section 3(2) was amended by paragraph 3 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), so that the power to make regulations became exercisable by the Treasury with the concurrence of the Secretary of State.

(b) 1992 c. 7 (“the 1992 NI Act”). Section 3(2) was amended by paragraph 4 of Schedule 3 to S.I. 1999/671 so that the power to make regulations became exercisable by the Treasury with the concurrence of the Department of Health and Social Services for Northern Ireland. The functions of the Department of Health and Social Services for Northern Ireland under the 1992 NI Act were transferred to the Department for Social Development by article 8(b) of, and Part 2 of Schedule 6 to, the Departments (Transfer and Assignment of Functions) Order (Northern Ireland) 1999 (S.R. 1999 No. 481). The Department for Social Development was renamed the Department for Communities by section 1(7) of the Departments Act (Northern Ireland) 2016 (c. 5 (N.I.)).

(c) S.I. 2001/1004, relevant amending instruments are S.I. 2023/186, 2023/773, 2024/187 and 2024/289.

(2) A payment of compensation made by Post Office Limited to a person eligible for compensation under the Horizon Shortfall Scheme or a nominated individual for the purpose of ensuring that person receives a total of £75,000 in compensation.

(3) A payment that is a relevant onward payment of the payment defined in paragraph (2).

(4) In this paragraph—

“Horizon Shortfall Scheme” has the same meaning as in paragraph 27(2);

“the Horizon system” has the same meaning as in paragraph 26(3);

“nominated individual” means any person who was a shareholder or a director of a company or a partner in a partnership which ceased to exist and that would have been eligible for compensation under the Horizon Shortfall Scheme;

“Post Office Limited” has the same meaning as in paragraph 26(3);

“relevant onward payment” has the same meaning as in paragraph 28(5).”.

25th July 2024

Jeff Smith
Vicky Foxcroft
Two of the Lords Commissioners of His Majesty’s Treasury

The Secretary of State concurs.

Signed by the authority of the Secretary of State for Work and Pensions.

22nd July 2024

Stephen Timms
Minister of State
Department for Work and Pensions

The Department for Communities concurs.

Sealed with the Official Seal of the Department for Communities on



22nd July 2024

David Tarr
A senior officer for the Department for Communities

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004) to provide that Horizon Convictions Redress Scheme compensation payments, Horizon Shortfall Scheme Fixed Sum Awards and relevant onward payments are disregarded in the calculations of earnings for the purpose of establishing liability to Class 1 National Insurance contributions.

Horizon Convictions Redress Scheme compensation payments are made by the Department for Business and Trade to people who have had a conviction involving the Horizon system quashed by legislation.

Horizon Shortfall Scheme Fixed Sum Awards are made by Post Office Limited to people who are eligible for compensation under the Horizon Shortfall Scheme to ensure they receive a total of £75,000 in compensation.

Relevant onward payments are payments made by a company who is a recipient of a Horizon Shortfall Scheme Fixed Sum Award to an individual who is or was a director or employee of that company for the purpose of passing on all or part of that compensation payment to that individual.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

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