

# Annex A – Class 1 NICs relief for host employers affected by the loan charge

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## STATUTORY INSTRUMENTS

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**2018 No.**

### **SOCIAL SECURITY**

#### **The Social Security (Contributions) (Amendment No. X) Regulations 2018**

<i>Made</i>	- - - -	***
<i>Laid before Parliament</i>		***
<i>Coming into force</i>	- -	<i>5th April 2019</i>

The Treasury, in exercise of the powers conferred by sections 3(2) and 3(3) of the Social Security Contributions and Benefits Act 1992<sup>(1)</sup>, makes the following Regulations with the concurrence of the Secretary of State:

#### **Citation and commencement**

**1.** These Regulations may be cited as the Social Security (Contributions) (Amendment No. X) Regulations 2018 and come into force on 5th April 2019.

#### **Amendment of the Social Security (Contributions) Regulations 2001**

**2.—**(1) The Social Security (Contributions) Regulations 2001<sup>(2)</sup> are amended as follows.

(2) In regulation 22B (amounts to be treated as earnings: Part 7A of ITEPA 2003)<sup>(3)</sup>—

(a) in paragraph (2), after “Part 7A of ITEPA 2003.”, insert “This paragraph is subject to paragraphs (3) and (3A).”;

(b) after paragraph (3) insert—

“ (3A) Paragraph (2) does not apply if—

(a) the amount would count as employment income by virtue of Part 7A ITEPA by reason of a relevant step within paragraph 1 of Schedule 11 (employment income provided through third parties: loans etc outstanding on 5 April 2019) to the Finance (No. 2) Act 2017<sup>(4)</sup>, and

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(1) 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).

(2) S.I. 2001/1004.

(3) Regulation 22B was inserted by S.I. 2011/2700.

(4) 2017 c. 32.

(b) the secondary contributor in relation to that amount would have been a person treated as a secondary contributor by virtue of regulation 5(1)(5) of, and any of sub-paragraphs (a) to (f) of paragraph 9 of Column (B) of Schedule 3 (employments in respect of which persons are treated as secondary class 1 contributors) to, the Social Security (Categorisation of Earners) Regulations 1978(6), and

(c) In paragraph (4), for “paragraph (3)” substitute “paragraphs (3) and (3A)”.

	<i>Name</i>
	<i>Name</i>
Date	Two of the Lords Commissioners of Her Majesty’s Treasury

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004) (“The Regulations”).

Regulation 1 provides for citation and commencement.

Regulation 2 inserts new paragraph (3A) into regulation 22B of the Regulations. Paragraph (3A) relieves a host employer, end client, UK agency or UK employer of liability for paying Class 1 primary and secondary National Insurance contributions on payments arising under Schedule 11 to the Finance (No. 2) Act 2017 that would otherwise fall to them as secondary contributors under regulation 5(1) of, and paragraph 9 of Schedule 3 to, the Social Security (Categorisation of Earners) Regulations 1978.

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(5) Regulation 5, renumbered as 5(1) and 5(2), was inserted by S.I. 2003/2420.  
(6) S.I. 1978/1689. Paragraph 9 of Schedule 3 was amended by S.I. 1994/726 and 2014/635.