

**2016 No. 0000**

**SOCIAL SECURITY**

**The Social Security (Contributions) (Amendment No. X)  
Regulations 2016**

*Made* - - - - \*\*\*

*Laid before Parliament* \*\*\*

*Coming into force* - - - *in accordance with regulation 1*

The Treasury make the following Regulations in exercise of the powers conferred by sections 3(2) and (3) and 175(3) of the Social Security Contributions and Benefits Act 1992(a) and sections 3(2) and (3) and 171(3) and (10) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(b).

The Secretary of State and the Department for Social Development(c) concur in the making of these Regulations.

**Citation and commencement**

1. These Regulations may be cited as the Social Security (Contributions) (Amendment No. X) Regulations 2016 and come into force immediately after the coming into force of the Finance Act 2016.

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

2. The Social Security (Contributions) Regulations 2001(d) are amended as follows.

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- (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).
- (b) 1992 c. 7; section 3(2) was amended by paragraph 4 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Order 1999 (S.I. 1999/671) (“the Transfer Order”). Section 171(10) was substituted by paragraph 28(3) of Schedule 3 to the Transfer Order.
- (c) The functions of the Department of Health and Social Services for Northern Ireland under the Social Security Contributions and Benefits (Northern Ireland) Act 1992 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. (NI) 1999 No 481).
- (d) S.I. 2001/1004; relevant amending instruments are S.I. 2003/2958, 2004/770, 2011/225. Section 122 of the Social Security Contributions and Benefits Act 1992 and section 121 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (as amended by paragraphs 169, 178, 190 and 199 of Schedule 6 to ITEPA 2003) define ITEPA 2003 as meaning the Income Tax (Earnings and Pensions) Act 2003 (c. 1).

3.—(1) Schedule 3 (payments to be disregarded in the calculation of earnings for the purposes of earnings-related contributions) is amended as follows.

(2) In paragraph 6 of Part 5 (certain non-cash vouchers to be disregarded as payments in kind), after sub-paragraph (d) insert—

“(da) section 323A(a) (trivial benefits provided by employers);”.

Date *Name*  
*Name*  
Two of the Lords Commissioners of Her Majesty’s Treasury

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

Date *Name*  
Minister of State  
Department for Work and Pensions

The Department for Social Development concurs.  
Sealed with the Official Seal of the Department for Social Development on [date]



Date *Name*  
A senior officer of the Department for Social Development

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(a) Section 323A of ITEPA 2003 was inserted by section [XX] of the Finance Act 2016 (c.X).

## **EXPLANATORY NOTE**

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

These Regulations amend the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004) (“the Contributions Regulations”) in order to take into account new provisions in the Income Tax (Earnings and Pensions) Act 2003 (c. 1) (“ITEPA 2003”) inserted by the Finance Act 2016 (c. [XX]).

Schedule 3 to the Contributions Regulations provides for certain payments to be disregarded in the calculation of an individual’s earnings for the purpose of earnings-related National Insurance contributions.

Regulation 3 adds a new sub-paragraph (da) to paragraph 6 of Part 5 of Schedule 3, which provides that any payment which is exempt from income tax under section 323A of ITEPA 2003 will also be disregarded for these purposes. That section introduces an exemption from income tax for trivial benefits-in-kind provided by employers to employees.

A Tax Information and Impact Note was published on 9 December 2015 alongside the draft Finance Bill 2016 clauses and is available on the government website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>. It remains an accurate summary of the impacts that apply to this instrument.