STATUTORY INSTRUMENTS

2016 No. 344

SOCIAL SECURITY

The Employment Allowance (Excluded Companies) Regulations 2016

Made - - - -	*10th March 2016*
Coming into force - -	*6th April 2016*

These Regulations are made by the Treasury in exercise of the power conferred by section 5(1)(b) of the National Insurance Contributions Act 2014(**1**).

A draft of this instrument was laid before Parliament in accordance with section 5(5) of the National Insurance Contributions Act 2014 and approved by a resolution of each House of Parliament.

Citation and commencement

1. These Regulations may be cited as the Employment Allowance (Excluded Companies) Regulations 2016 and come into force on 6th April 2016.

Amendment to the National Insurance Contributions Act 2014

2. In section 2 of the National Insurance Contributions Act 2014 (exceptions), after subsection (4) insert—

"Excluded companies

(4A) A body corporate ("C") cannot qualify for an employment allowance for a tax year if—

(a) all the payments of earnings in relation to which C is the secondary contributor in that year are paid to, or for the benefit of, the same employed earner, and

(b) when each of those payments is made, that employed earner is a director of C.".

(**1**) 2014 c. 7.