STATUTORY RULES OF NORTHERN IRELAND

1996 No. 566

SOCIAL SECURITY

The Social Security (Contributions) (Amendment No. 6) Regulations (Northern Ireland) 1996

Made - - - -	*4th December 1996*
Coming into operation	*5th December 1996*

The Department of Health and Social Services for Northern Ireland, in exercise of the powers conferred on it by sections 3(2) and (3) and 171(1) to (3) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**1**) and of all other powers enabling it in that behalf, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Contributions) (Amendment No. 6) Regulations (Northern Ireland) 1996 and shall come into operation on 5th December 1996.

(2) In these Regulations "the principal Regulations" means the Social Security (Contributions) Regulations (Northern Ireland) 1979(**2**).

Amendment of regulation 1 of the principal Regulations

2. In regulation 1(2) of the principal Regulations (interpretation) after the definition of "standard rate" there shall be inserted the following definition—

> ""trading arrangements" in relation to any asset (including a voucher) shall be construed in accordance with section 203K(2)(*a*) and (3) of the Income and Corporation Taxes Act 1988(**3**) (trading arrangements);".

Amendment of regulation 18 of the principal Regulations

3. In regulation 18 of the principal Regulations (calculation of earnings)—

(a) in paragraph (2)(**4**) for "paragraph (4), (6), (8) or (9)" there shall be substituted "paragraph (4), (6), (7A), (8) or (9)";

(**1**) 1992 c. 7
(**2**) S.R. 1979 No. 186; relevant amending regulations are S.R. 1991 No. 490, S.R. 1993 No. 463, S.R. 1994 No. 328 and S.R. 1995 No. 146
(**3**) 1988 c. 1; section 203K was inserted by section 131 of the Finance Act 1994 (c. 9)
(**4**) Paragraph (2) was added by S.R. 1991 No. 490 and amended by S.R. 1994 No. 328 and S.R. 1995 No. 146

(b) after paragraph (7)(**5**) there shall be inserted the following paragraph—

"(7A) The amount of earnings which is comprised in any payment by way of the conferment of a beneficial interest in any option to acquire any asset falling within Schedule 1A to these Regulations(**6**) and which falls to be taken into account in the computation of a person's earnings shall, for the purposes of earnings-related contributions, be calculated or estimated by reference to the amount which would be comprised in accordance with paragraph (2) of this regulation or, where paragraph (4), (6), (8) or (9) of this regulation would apply in accordance with that paragraph, in a payment by way of the conferment of a beneficial interest—

(a) in the asset which may be acquired by the exercise of that option; or

(b) where—

(i) that asset (the first asset) may be exchanged for another asset (the second asset), and

(ii) the value of the beneficial interest in the second asset is greater than that in the first asset,

in that second asset,

on the day the beneficial interest in the option is conferred, reduced by the amount or value (or if variable, the least amount or value) of the consideration for which the asset may be so acquired.";

(c) in paragraph (8)(**7**)—

(i) for "paragraph 9ZA, 9ZB or 9B of Schedule 1A to these regulations" there shall be substituted "paragraph 9ZA or 9ZB of Schedule 1A to these Regulations or in any voucher falling within paragraph 9B or 9C of that Schedule";

(ii) at the end there shall be added—

"; and for the purposes of this paragraph "the cost of the asset" in relation to any voucher includes the cost of any asset for which that voucher is capable of being exchanged";

(d) for paragraph (9)(**8**) there shall be substituted the following paragraph—

"(9) The amount of earnings which is comprised in any payment by way of the conferment of a beneficial interest in any asset falling within Schedule 1A to these Regulations for which trading arrangements exist and which falls to be taken into account in the computation of a person's earnings shall, for the purposes of earnings-related contributions, be calculated or estimated in accordance with the following provisions of this paragraph—

(a) the amount of earnings shall be calculated or estimated by reference to the amount which is the greater of—

(i) the amount obtainable under the trading arrangements in question,

(ii) the amount calculated or estimated in accordance with paragraph (2) of this regulation or, where paragraph (4), (6), (7A) or (8) of this regulation would apply, the amount calculated or estimated in accordance with that paragraph;

(b) the calculation or estimate of the amount of earnings by reference to the amount obtainable under trading arrangements shall be carried out on the

(**5**) Paragraph (7) was substituted by S.R. 1993 No. 463
(**6**) Schedule 1A was inserted by S.R. 1991 No. 490 and amended by S.R. 1993 No. 463, S.R. 1994 No. 328 and S.R. 1995 No. 146
(**7**) Paragraph (8) was added by S.R. 1994 No. 328
(**8**) Paragraph (9) was added by S.R. 1995 No. 146