1987 No. 468

SOCIAL SECURITY

The Social Security (Contributions) (Amendment No. 4) Regulations (Northern Ireland) 1987

Made . . . . . 23rd December 1987

Coming into operation . . 6th January 1988

The Department of Health and Social Services for Northern Ireland, in exercise of the powers conferred on it by sections 3(2) and (3), 4(2)(*b*), (6), (6A) and (6D), 11(3) and 126 of, and paragraph 6(1)(*b*) and (*h*) of Schedule 1 to, the Social Security (Northern Ireland) Act 1975(**a**) 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. 4) Regulations (Northern Ireland) 1987 and shall come into operation on 6th January 1988.

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

Amendment of regulation 8 of the principal regulations

2. In regulation 8(2)(*c*) of the principal regulations (equivalent amounts) for "applying sub-paragraph (*b*) of this paragraph" there shall be substituted "multiplying each of the said limits by 4⅓".

Amendment of regulation 8A of the principal regulations

3. In regulation 8A(3)(*c*) of the principal regulations (equivalent earnings brackets for earners paid otherwise than weekly) for "applying sub-paragraph (*b*) of this paragraph" there shall be substituted "multiplying each lower bracket by 4⅓".

Insertion of regulation 19B in the principal regulations

4. After regulation 19A of the principal regulations (certain payments by trustees to be disregarded) there shall be inserted the following regulation—

"*Payments to directors which are to be disregarded*

19B.—(1) For the purposes of earnings-related contributions, there shall be excluded from the computation of a person's earnings any payment in so far as it is a payment—

(a) 1975 c. 15; section 4(6), (6A) and (6D) was substituted by Article 9(2) of the Social Security (Northern Ireland) Order 1985 (S.I. 1985/1209 (N.I. 16)); section 4(6) was amended by paragraph 69, and paragraph 6(1)(*h*) of Schedule 1 was amended by paragraph 1, of Schedule 9 to the Social Security (Northern Ireland) Order 1986 (S.I. 1986/1888 (N.I. 18))

(b) S.R. 1979 No. 186; relevant amending regulations are S.R. 1985 No. 260 and S.R. 1987 Nos. 143 and 348

(*a*) by a company;

(*b*) to or for the benefit of a director of that company;

(*c*) in respect of any employed earner's employment of that director with that company; and

(*d*) in respect of which the conditions set out in paragraph (2), (3) or (4) of this regulation are satisfied.

(2) The conditions referred to in paragraph (1)(*d*) of this regulation as being set out in this paragraph are—

(*a*) that the director is a partner in a firm carrying on a profession;

(*b*) that being a director of a company is a normal incident of membership of that profession and of membership of the firm of the director;

(*c*) that the director is required by the terms of his partnership to account to his firm for the payment; and

(*d*) that the payment forms an insubstantial part of the gross returns of that firm.

(3) The conditions referred to in paragraph (1)(*d*) of this regulation as being set out in this paragraph are—

(*a*) that the director was appointed to that office by a company having the right to do so by virtue of its shareholding in, or an agreement with, the company making the payment;

(*b*) that by virtue of an agreement with the company that appointed him, the director is required to account for the payment to that company; and

(*c*) that the payment forms part of the profits brought into charge to corporation tax or income tax of the company that appointed the director.

(4) The conditions referred to in paragraph (1)(*d*) of this regulation as being set out in this paragraph are—

(*a*) that the director was appointed to that office by a company other than the company making the payment;

(*b*) that by virtue of an agreement with the company that appointed him, the director is required to account for the payment to that company;

(*c*) that the payment forms part of the profits brought into charge to corporation tax of the company that appointed the director; and

(*d*) that the company that appointed the director is not one over which—

(i) the director has, or

(ii) any person connected with the director has, or

(iii) the director and any persons connected with him together have,

control.

(5) In this regulation—

(*a*) in paragraphs (2), (3), (4) and (5)(*b*) "the director" means the