STATUTORY INSTRUMENTS

1991 No. 2294 (N.I. 22)

NORTHERN IRELAND

The Social Security (Contributions) (Northern Ireland) Order 1991

Made - - - -	*16th October 1991*
Laid before Parliament	*24th October 1991*
Coming into operation in accordance with Article 1	

At the Court of Saint James, the 16th day of October 1991

Present,

The Counsellors of State in Council

Whereas Her Majesty in pursuance of the Regency Acts 1937 to 1953, was pleased, by Letters Patent dated the 25th day of September 1991 to delegate to the six Counsellors of State therein named or any two or more of them full power and authority during the period of Her Majesty's absence from the United Kingdom to summon and hold on Her Majesty's behalf Her Privy Council and to signify thereat Her Majesty's approval for anything for which Her Majesty's approval in Council is required:

And Whereas this Order is made only for purposes corresponding to those of the Social Security (Contributions) Act 1991(**1**):

Now, therefore, His Royal Highness The Prince Andrew, Duke of York, and His Royal Highness The Prince Edward, being authorised thereto by the said Letters Patent, and in pursuance of the powers conferred by paragraph 1 of Schedule 1 to the Northern Ireland Act 1974(**2**), (as modified by section 5 of that Act of 1991) and all other powers enabling Her Majesty, and by and with the advice of Her Majesty's Privy Council, do on Her Majesty's behalf order, and it is hereby ordered, as follows:—

Citation, finance and commencement

1.—(1) This Order may be cited as the Social Security (Contributions) (Northern Ireland) Order 1991, and this Order shall be included among the Acts which may be cited together as the Social Security (Northern Ireland) Acts 1975 to 1991.

(**1**) 1991 c. 42
(**2**) 1974 c. 28

(2) There shall be paid into the Consolidated Fund any increase by virtue of this Order in the sums so payable by virtue of any other enactment.

(3) Any provision of this Order which amends an enactment not in operation when this Order is made shall come into operation on the day on which that enactment comes into operation.

(4) This Order has effect in relation to the tax year beginning with 6th April 1991 and subsequent tax years; and in this paragraph "tax year" has the meaning assigned to it by Schedule 17 to the Social Security (Northern Ireland) Act 1975(**3**) (in this Order referred to as "the 1975 Act").

Interpretation

2. The Interpretation Act (Northern Ireland) 1954(**4**) shall apply to Article 1 and the following provisions of this Order as it applies to a Measure of the Northern Ireland Assembly.

Class 1A contributions

3.—(1) The 1975 Act is amended as follows.

(2) In subsection (2) of section 1 (outline of contributory system) for "four" there is substituted "five" and after the description of Class 1 contributions there is inserted—

"Class 1A, payable under section 4A in respect of cars made available for private use and car fuel by persons liable to pay secondary Class 1 contributions and certain other persons;".

(3) In subsection (6)(a) and (c) of that section after "Class 1" there is inserted ", Class 1A".

(4) In the heading before section 4 for "four" there is substituted "five".

(5) The following section is inserted after section 4—

"**Class 1A contributions.**

4A.—(1) Where—

(a) for any tax year an amount in respect of a car is by virtue of section 157 of the Income and Corporation Taxes Act 1988 chargeable on an earner to income tax under Schedule E; and

(b) the employment by reason of which the car is made available is employed earner's employment, a Class 1A contribution shall be payable for that tax year, in accordance with this section, in respect of the earner and car in question.

(2) The Class 1A contribution referred to in subsection (1) above is payable by—

(a) the person who is liable to pay the secondary Class 1 contribution relating to the last (or only) relevant payment of earnings in the tax year in relation to which there is a liability to pay such a contribution; or

(b) if no such contribution is payable in relation to a relevant payment of earnings in the tax year, the person who would be liable but for section 4(2)(b) above to pay a secondary Class 1 contribution relating to the last (or only) relevant payment of earnings in the tax year.

(3) A payment of earnings is a "relevant payment of earnings" for the purposes of subsection (2) above if it is made to or for the benefit of the earner in respect of the employment by reason of which the car is made available.

(4) The amount of the Class 1A contribution referred to in subsection (1) above shall be—

(**3**) 1975 c. 15
(**4**) 1954 c. 33 (N.I.)

(a) the Class 1A percentage of the cash equivalent of the benefit of the car to the earner in the tax year; or

(b) where for the tax year an amount in respect of fuel for the car is by virtue of section 158 of the Income and Corporation Taxes Act 1988 also chargeable on the earner to income tax under Schedule E, the aggregate of—

(i) the Class 1A percentage of the cash equivalent of the benefit of the fuel to the earner in the tax year; and

(ii) the amount mentioned in paragraph (a) above, the cash equivalents of the benefit of a car or fuel being ascertained, subject to the provisions of this section, in accordance with section 157 or, as the case may be, 158 of the Income and Corporation Taxes Act 1988 and Schedule 6 to that Act.

(5) In subsection (4) above "the Class 1A percentage" means a percentage rate equal to the percentage rate for secondary Class 1 contributions specified in section 4(6E) above as appropriate for the highest secondary earnings bracket for the tax year in question.

(6) In calculating for the purposes of subsection (4) above the cash equivalent of the benefit of a car or fuel—

(a) the car shall not be treated as being unavailable on a day by virtue of paragraph 2(2)(b) of Schedule 6 to the Income and Corporation Taxes Act 1988 for the purposes of section 158(5) of that Act or paragraph 2(2), 3(2) or 5(2) of that Schedule, unless the person liable to pay the contribution has information to show that the condition specified in paragraph 2(2)(b) is satisfied as regards that day;

(b) the use of the car for the earner's business travel shall be taken—

(i) for the purposes of section 158(5)of that Act and sub-paragraph (1) of paragraph 3 of that Schedule to have amounted to less than 18,000 miles (or such lower figure as is applicable by virtue of sub-paragraph (2) of that paragraph); and

(ii) for the purposes of sub-paragraph (1) of paragraph 5 of that Schedule to have amounted to not more than 2,500 miles (or such lower figure as is applicable by virtue of sub-paragraph (2) of that paragraph), unless in either case the person liable to pay the contribution has information to show the contrary; and

(c) for the purposes of paragraph 5(3) of that Schedule, the car shall be treated as not having been the car used to the greatest extent for the employee's business travel, unless the person liable to pay the contribution has information to show the contrary.

(7) Regulations may make such amendments of this section as appear to the Department to be necessary or expedient in consequence of any alteration to section 157 or 158 of the Income and Corporation Taxes Act 1988 or Schedule 6 to that Act.

(8) A person shall be liable to pay different Class 1A contributions in respect of different earners, different cars and different tax years.

(9) Regulations may provide—

(a) for persons to be excepted in prescribed circumstances for liability to pay Class 1A contributions;

(b) for reducing Class 1A contributions in prescribed circumstances.".

Computation, collection and recovery

4.—(1) In the 1975 Act—

(a) in paragraph (a) of section 1(4) (which introduces Schedule 1, containing supplementary provisions relating to contributions); and