

1972. No. 21

[C]

**NATIONAL INSURANCE****Collection of Graduated Contributions**

REGULATIONS, DATED 24TH JANUARY 1972, MADE BY THE MINISTRY OF HEALTH AND SOCIAL SERVICES, IN CONJUNCTION WITH THE MINISTRY OF FINANCE AND WITH THE CONCURRENCE OF THE COMMISSIONERS OF INLAND REVENUE, UNDER THE NATIONAL INSURANCE ACT (NORTHERN IRELAND) 1966.

The Ministry of Health and Social Services, in conjunction with the Ministry of Finance so far as relates to matters with regard to which the Ministry of Finance has so directed, and with the concurrence of the Commissioners of Inland Revenue, in exercise of powers conferred by sections 11(3), 13(1), 14, 58(9), 73(2) and 91(10) of the National Insurance Act (Northern Ireland) 1966(a), and of all other powers enabling it in that behalf, hereby makes the following regulations being regulations subject to negative resolution in accordance with section 101(3) of that Act:

*Citation and commencement*

1. These regulations may be cited as the National Insurance (Collection of Graduated Contributions) Regulations (Northern Ireland) 1972 and shall come into operation on 6th April 1972.

*Collection and recovery of graduated contributions*

2.—(1) Subject to the provisions of regulation 3, graduated contributions shall be paid, accounted for and recovered in like manner as and with income tax deducted from the emoluments of an office or employment by virtue of regulations under section 204 (pay as you earn) of the Income and Corporation Taxes Act 1970(b); and accordingly the provisions contained in Schedules 1 and 2 (which, with extensions and modifications, are the provisions respectively of the Income Tax (Employments) Regulations 1965(c) and of the Income Tax (Employments) (No. 6) (Seamen) Regulations 1970(d)) shall apply to and for the purpose of graduated contributions.

(2) (a) In Schedule 1 the expression “these Regulations” means the Income Tax (Employments) Regulations 1965, with extensions and modifications as aforesaid.

(b) In Schedule 2 the expression “the 1965 Regulations” means the Income Tax (Employments) Regulations 1965 as set out in Schedule 1; and the expression “these Regulations” means the Income Tax (Employments) (No. 6) (Seamen) Regulations 1970, with extensions and modifications as aforesaid.

*Direct collection and recovery of graduated contributions*

3. The Ministry may, if it thinks fit, and subject to such terms and conditions as it may impose, authorise any arrangements whereby graduated contributions are paid at times, or in a manner, other than those prescribed by regulation 2(1); and the provisions of that paragraph shall be without prejudice to any remedy otherwise available for the recovery of graduated contributions.

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(a) 1966. c. 6 (N.I.).

(d) S.I. 1970/1142.

(b) 1970. c. 10.

(c) S.I. 1965/516 as amended by S.I. 1966/1373, 1969/170, 1969/688, 1970/666 and 1970/1142.

*Payments in lieu of contributions*

4. Payments in lieu of contributions under section 57 of the National Insurance Act (Northern Ireland) 1966 shall be made to the Ministry.

*Information as to non-participating employment*

5.—(1) The Ministry or a Collector may at any time direct an employer to furnish, in such form as may be specified in the direction, such information in respect of all or any employees who are or have been employed by him in a non-participating employment as may be reasonably required for the purpose of ascertaining whether graduated contributions are or were payable in respect of any payments made to them; and the employer shall furnish such information within fourteen days of being so directed.

(2) In this regulation expressions specifically defined in the Schedules have the meanings there attributed to them.

*Revocation of regulations*

6. The National Insurance (Collection of Graduated Contributions) Regulations (Northern Ireland) 1960(e) and the National Insurance (Collection of Graduated Contributions) Amendment Regulations (Northern Ireland) 1962(f) are hereby revoked.

Sealed with the Official Seal of the Ministry of Health and Social Services for Northern Ireland this 24th day of January 1972.

(L.S.)

C. G. Oakes,  
Assistant Secretary.

Sealed with the Official Seal of the Ministry of Finance for Northern Ireland this 24th day of January 1972.

(L.S.)

C. F. Darling,  
Assistant Secretary.

The Commissioners of Inland Revenue hereby concur.

By Order of the Commissioners of Inland Revenue this 27th day of January 1972.

(L.S.)

A. H. Dalton,  
Secretary.

## SCHEDULE 1

## Regulation 2

**Containing the provisions of the Income Tax (Employments) Regulations 1965  
as they apply to Graduated Contributions****PART I. GENERAL***Interpretation*

- 2.—(1) In these Regulations, unless the context otherwise requires—  
“the Act” means the National Insurance Act (Northern Ireland) 1966(g);  
“aggregated” means aggregated and treated as a single payment, under section 4(3) of the Act;  
“Collector” means a Collector of Taxes;  
“deduction card” means a deduction card in the form prescribed or approved by the Commissioners of Inland Revenue or such other document as may be authorised by those Commissioners as a deduction card;  
“emoluments” means all income assessable to income tax under Schedule E (other than pensions), and references to payments of emoluments include references to payments on account of emoluments;  
“employee” means any person in receipt of emoluments;  
“employer” means any person paying emoluments;  
“graduated contributions” has the same meaning as in the Act;  
“income tax month” means the period beginning on the 6th day of any calendar month and ending on the 5th day of the following calendar month;  
“Inspector” means an Inspector of Taxes;  
“year” means the income tax year of assessment;

other expressions have the same meaning as in the Income Tax Acts.

*Intermediate employers*

3.—(1) Where an employee works under the general control and management of a person who is not his immediate employer, that person (referred to in this Regulation as “the principal employer”) shall be deemed to be the employer for the purpose of these Regulations, and the immediate employer shall furnish the principal employer with such particulars of the employee’s emoluments as may be necessary to enable the principal employer to comply with the provisions of these Regulations.

(2) If the employee’s emoluments are actually paid to him by the immediate employer—

- (a) the immediate employer shall be notified by the principal employer of the amount of graduated contributions which may be deducted when the emoluments are paid to the employee, and may deduct the amount so notified to him accordingly; and
- (b) the principal employer may make a corresponding deduction on making to the immediate employer the payment out of which the said emoluments will be paid.

*Employers’ graduated contributions*

3A. If under these Regulations a person is required to pay any graduated contributions which, under section 4(1)(b) of the Act, another person is liable to pay, his payment thereof shall be made as agent for that other person.

*Inspectors and Collectors*

4A. Any legal proceedings or administrative act authorised by or done for the purposes of these Regulations and begun by one Inspector or Collector may be continued by another Inspector or, as the case may be, another Collector; and any Inspector or Collector may act for any division or other area.

*Service by post*

5. Any notice or deduction card which is authorised or required to be given, served or issued under these Regulations may be sent by post.

## PARTS II AND III. DEDUCTION OF GRADUATED CONTRIBUTIONS

*Deduction of graduated contributions*

6.—(1) Every employer, on making any payment of emoluments during any year to any employee in respect of whom he holds a deduction card for that year, may deduct graduated contributions in accordance with these Regulations.

(2) An employer shall not be entitled to recover any graduated contributions paid or to be paid by him on behalf of any employee otherwise than by deduction in accordance with these Regulations.

*Calculation of deduction*

13.—(1) On the occasion of any payment of emoluments to the employee, the employer may deduct the amount of the graduated contributions based thereon which the employee is liable to pay under section 4(1)(a) of the Act from the emoluments on making the payment in question:

Provided that where 2 or more payments of emoluments fall to be aggregated the employer may deduct the amount of the graduated contributions based thereon which are payable by the employee either wholly from one such payment or partly from one and partly from the other or any one or more of the others.

(1A) If by reason of an error made in good faith the employer on making any payment of emoluments to an employee fails to deduct therefrom the full amount of graduated contributions which by virtue of these Regulations he is entitled to deduct, he may recover the amount so underdeducted by deduction from any subsequent payment of emoluments to that employee during the same year:

Provided that—

- (a) the amount which may be deducted by virtue of the provisions of this paragraph from any payment, or from any payments which fall to be aggregated, shall be in addition to but shall not exceed the amount deductible therefrom under the other provisions of these Regulations; and
- (b) for the purposes of Part IV of these Regulations an additional amount which may be deducted by virtue of the provisions of this paragraph shall be treated as an amount deductible under these Regulations only in so far as the amount of the corresponding underdeduction has not been so treated.

(6) The employer shall record, either on the deduction card or in such other form as may be authorised by the Commissioners of Inland Revenue, the following particulars regarding every payment of emoluments which he makes to the employee, namely—

- (a) the date of the payment;
- (b) the gross amount of the emoluments; and
- (c) the amount of graduated contributions which may be deducted from the emoluments otherwise than under paragraph (1A) of this Regulation:

Provided that where 2 or more payments fall to be aggregated, the employer, instead of recording the amount of graduated contributions which may be deducted from the emoluments comprised in each such payment, may record the total amount of the graduated contributions which may be deducted from those payments.

*Employee for whom deduction card not held*

19.—(1) If the employer makes any payment of emoluments to an employee in respect of whom he does not hold a deduction card and that payment is a payment of emoluments in respect of which graduated contributions are payable, he may

deduct the amount of the graduated contributions based thereon which are payable by the employee and shall keep records on a deduction card which he shall prepare for the purpose as if the payment was one to which Regulation 13 of these Regulations applied, and shall do likewise on making any subsequent payment of emoluments to the employee.

#### *Employee on fixed pay*

20.—(2) Where the employer has been authorised by the Inspector to deduct income tax from each payment of emoluments which he makes to an employee who is in receipt of a fixed salary or wage by reference only to the amount of that payment, he shall, if he ceases to employ the employee in question, forthwith return the deduction card, duly completed, to the Collector.

#### *Tax-free emoluments*

23. Where the employer makes a payment to or for the benefit of the employee in respect of his income tax, the amount of the emoluments which the employer pays to the employee shall be deemed for the purposes of these Regulations to be such a sum as will include the amount assessable on the employee in respect of the payment made by the employer in respect of the employee's income tax.

### PART IV. PAYMENT AND RECOVERY OF GRADUATED CONTRIBUTIONS, ETC.

#### *Payment of graduated contributions by employer*

26.—(1) Within 14 days of the end of every income tax month the employer shall pay to the Collector all amounts of graduated contributions deductible under these Regulations from emoluments paid by him during that income tax month, other than amounts deductible by virtue of the proviso to paragraph (1) of Regulation 13 of these Regulations which he did not deduct, together with an equal amount by way of employer's graduated contributions:

Provided that—

- (a) the employer shall for the purposes of this paragraph be deemed to have deducted from the last of any number of payments of emoluments which fall to be aggregated the amount of graduated contributions deductible from those payments which he did not deduct from the earlier payments; and
- (b) where the Inspector has authorised the employer to deduct income tax from each payment of emoluments which he makes to an employee who is in receipt of a fixed salary or wage by reference only to the amount of that payment, payment to the Collector under this paragraph shall be made quarterly, that is to say, the graduated contributions deductible during the first 3 income tax months in any year shall be paid together with the corresponding employer's contributions not later than 19th July in that year, the graduated contributions deductible during the second 3 income tax months shall be paid together with the corresponding employer's contributions not later than 19th October, and so on.

(2) The Collector shall if so requested give the employer a receipt for the total amount so paid, provided that no separate receipt need be given for graduated contributions only if a receipt is given for the total amount of graduated contributions and any tax paid at the same time.

(3) If the employer, by reason of an error made in good faith, has paid to the Collector on account of graduated contributions under this Regulation an amount which he was not liable so to pay, the amounts which he is liable so to pay subsequently, in respect of other payments of emoluments made by him during the same year, shall be reduced by the amount so overpaid:

Provided that if there was a corresponding overdeduction from any payment of emoluments to an employee the provisions of this paragraph shall apply only in so far as the employer has accounted to him therefor.