
STATUTORY INSTRUMENTS

2014 No. 3228

SOCIAL SECURITY

**The Social Security (Contributions)
(Amendment No. 6) Regulations 2014**

Made - - - - *9th December 2014*
Laid before Parliament *10th December 2014*
Coming into force - - *1st January 2015*

The Treasury make the following Regulations in exercise of the powers conferred by sections 3(2) and (3) of the Social Security Contributions and Benefits Act 1992(1) and sections 3(2) and (3) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(2).

The Secretary of State and the Department for Social Development(3) concur with the making of these Regulations.

Citation and commencement

1. These Regulations may be cited as the Social Security (Contributions) (Amendment No. 6) Regulations 2014 and come into force on 1st January 2015.

Amendments to the Social Security (Contributions) Regulations 2001

2. Schedule 3 (payments to be disregarded in the calculation of earnings for the purposes of earnings-related contributions) to the Social Security (Contributions) Regulations 2001(4) is amended as follows.

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- (1) [1992 c.4](#). Section 3(2) was amended, and the power to make regulations under it transferred to the Treasury (with the concurrence of the Secretary of State), by paragraph 3 of Schedule 3 to the Social Security (Transfer of Functions, etc.) Act 1999 ([c.2](#)).
- (2) [1992 c.7](#). Section 3(2) was amended, and the power to make regulations under it transferred to the Treasury (with the concurrence of the Department of Health and Social Services for Northern Ireland), by paragraph 4 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 ([S.I. 1999/671](#)).
- (3) The functions of the Department of Health and Social Services for Northern Ireland under the Social Security Contributions and Benefits (Northern Ireland) Act 1992 were transferred to the Department for Social Development by Article 8(b) of, and Part II of Schedule 6 to, the Departments (Transfer and Assignment of Functions) Order (Northern Ireland) 1999 ([S.R. 1999 No. 481](#)).
- (4) [S.I. 2001/1004](#), amended by [S.I. 2003/2958](#); there are other amending instruments but none is relevant. Section 122 of the Social Security Contributions and Benefits Act 1992 and section 121 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (as amended by paragraphs 169, 178, 190 and 199 of Schedule 6 to ITEPA 2003) define ITEPA 2003 as meaning the Income Tax (Earnings and Pensions) Act [2003 \(c.1\)](#).

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3. In Part 5 (certain non-cash vouchers to be disregarded as payments in kind) after paragraph 5(c)—

(a) for “.” substitute “;”; and

(b) insert—

“(d) “(d) section 320C (recommended medical treatment)(5).”.

4. In Part 8 (travelling, relocation and other expenses and allowances of the employment) after paragraph 14 (overseas medical treatment) insert—

“Recommended medical treatment

14A. A payment or reimbursement to which no liability to income tax arises by virtue of section 320C of ITEPA 2003 (recommended medical treatment).”.

David Evennett

Gavin Barwell

Two of the Lords Commissioners of Her Majesty’s Treasury

9th December 2014

The Secretary of State concurs.

Signed by authority of the Secretary of State for Work and Pensions

Mark Harper

Minister of State

Department for Work and Pensions

7th December 2014

(5) Section 320C of the Income Tax (Earnings and Pensions Act) 2003 (c. 1) was inserted by section 12(2) of the Finance Act 2014 (c. 26).

The Department for Social Development concurs.

Sealed with the Official Seal of the Department for Social Development on 3rd December 2014



Anne McCleary
A senior officer of the Department for Social
Development

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EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004) (“SSCR 2001”). Schedule 3 to SSCR 2001 deals with payments which are to be disregarded in the calculation of earnings for the purposes of earnings-related contributions.

Regulation 3 inserts new disregards into Part 5 and Part 8 of Schedule 3 to SSCR 2001. The new disregards refer to the exemption from income tax provided by section 320C of the Income Tax (Earnings and Pensions) Act 2003 (c. 1) (“ITEPA 2003”).

The effect is that when an employer meets the cost of an employee’s recommended medical treatment in the form of a non-cash voucher, expenses payment or reimbursement, then that payment or payment in kind will be disregarded in the calculation of the employee’s earnings for liability for Class 1 National Insurance contributions.

The disregard will apply to a recommendation for medical treatment which meets the conditions set out in sections 320C(3)(a) and (b) of ITEPA 2003 and any requirements specified in regulations made under section 320C(3)(c) of ITEPA 2003, up to an annual cap of £500 per employee.

A Tax Information and Impact Note covering this instrument was published on 10th December 2013 alongside the Finance Bill 2014 and is available on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>. It remains an accurate summary of the impacts that apply to this instrument.