
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Social Security (Contributions) Regulations 1979 (“the Contributions Regulations”).

Regulation 2(2) amends regulation 19(1) of the Contributions Regulations (payments to be disregarded) by adding two new sub paragraphs (zb) and (zc). The first relates to expenses incurred in providing medical treatment or insurance for an employee performing the duties of his employment outside the United Kingdom. The second relates to payments exempt from income tax under Schedule 11A to the Income and Corporation Taxes Act 1988 (removal expenses and benefits), other expenses reasonably incurred in connection with a change of residence and emoluments for which an employer is accountable to the Board of Inland Revenue in respect of income tax in accordance with a PAYE settlement agreement under Chapter V of Part VI of the Income Tax (Employments) Regulations 1993.

Regulation 2(3) adds a new paragraph (9) in that regulation 19 to make incidental provision for the purposes of paragraph (1)(zc).

The Report of the Social Security Advisory Committee dated 6th March 1998 on the proposals referred to them in these Regulations, together with a statement showing the extent to which these Regulations give effect to the recommendations of the Committee, and in so far as they do not give effect to them, the reasons why not, are contained in Command Paper Cm. 3892, published by The Stationery Office Limited.

These Regulations do not impose any costs on business.