

21 DEC 2006

## GUERNSEY STATUTORY INSTRUMENT

GUERNSEY

2006 - No. 49

**The Social Insurance (Contributions) (Amendment) Regulations, 2006**

Made ... .. 20th December, 2006  
Laid before the States ... ..  
Coming into operation ... .. 1st January, 2007

**THE SOCIAL SECURITY DEPARTMENT**, in exercise of the powers conferred upon it by sections 3, 6, 8, 11, 15 and 116 of the Social Insurance (Guernsey) Law, 1978, as amended<sup>a</sup>, and of all other powers enabling it in that behalf, hereby orders:-

**Amendments**

1. Immediately after regulation 8 (4) of the Social Insurance (Contributions) Regulations, 2000, as amended<sup>b</sup> (the "Principal Regulations") insert :-
  - "(5) (a) In this paragraph "private company" shall mean any limited liability company, wheresoever incorporated, the shares of which are not traded on a recognised public stock exchange.
  - (b) Dividends paid to an employee of a private company shall be included in the earnings from his employment by that company.
  - (c) Where dividends are paid less frequently than wages and would cause the amount of wages, being normally less than the relevant upper weekly or monthly earnings limit, to exceed that limit, they shall be apportioned equally throughout the pay periods to which they relate.
2. In regulation 31(1) of the Principal Regulations for "8(4)" substitute "8(5)".
3. Immediately after regulation 32(3) of the Principal Regulations insert -
  - "(4) Notwithstanding the foregoing paragraphs of this regulation -
    - (a) an election made or received at the offices of the Social Security Department after 31st December 2006, or made but ineffective at that date, shall have no effect for the purposes of this regulation; and
    - (b) for the avoidance of doubt, an election having effect at or after 31 December 2006 may be cancelled at any time in accordance with the provisions of this Regulation, but no further election not to be liable to pay contributions shall have effect."

<sup>a</sup> Ordres en Conseil Vol. XXVI, p. 292; Vol. XXVII, pp. 238, 307 and 392; Vol. XXIX, pp. 24, 148 and 422; No. V of 1990; Nos. V and XII of 1993; Ordinance No. XIV of 1993; Ordres en Conseil No. V of 1994, Nos. VI and XIII of 1995; No. I of 1998; No. VI of 1999; No. X of 2000; No. IX of 2001; No. XXIV of 2003; No. XI of 2004.

<sup>b</sup> S.I. 1999 No. 49; S.I. 2001 No. 3; S.I. 2001 No. 43; S.I. 2003 No. 40; S.I. 2005 No. 37.

4. For regulation 34(1) of the Principal Regulations substitute - -

"(1) An insured person who is present in Guernsey and excepted from liability to pay a Class 3 contribution under regulation 38 of these regulations shall be entitled to be credited with a Class 3 contribution (for the purposes of death grant, old age pension or survivor's benefits only) in respect of any week in which a family allowance is, or would be, payable for a child under the age of 16."

### **Interpretation**

5. The Interpretation (Guernsey) Law, 1948<sup>c</sup> applies to the interpretation of these regulations as it applies to the interpretation of a Guernsey enactment.

### **Citation**

6. These Regulations may be cited as the Social Insurance (Contributions) (Amendment) Regulations, 2006.

### **Commencement**

7. These Regulations shall come into force on 1st January 2007.

Dated this 20th day of December, 2006.



Mary Lowe,  
Minister for Social Security,  
For and on behalf of the Social Security Department.

### **EXPLANATORY NOTE**

(This Note is not part of the Regulations, but is intended to indicate their general purport.)

These Regulations, which amend the Social Insurance (Contributions) Regulations, 2000:

- (a) provide that dividends paid to an employee of a private company are to be treated as earnings
- (b) correct an erroneous reference ;
- (c) remove the option for a non-employed person aged 60 or more to elect not to pay Social Insurance contributions, whilst allowing those who had so elected to continue;
- (d) restrict the award of Family Allowance credits to persons present in Guernsey and Alderney, and allow their award in circumstances where the Allowance would have been payable, for example, where a claim had not been made.

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<sup>c</sup> Ordres en Conseil Vol. III, p. 355.